



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
77 K Street, NE Washington, DC 20002

December 7, 2012

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY  
CHIEF INVESTMENT OFFICER

A handwritten signature in black ink, appearing to be "TRAY" or similar, written over the printed name of Tracey Ray.

SUBJECT: November 2012 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 2012, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

**TRACKING ERROR - BlackRock Funds (BTC)**

***November Tracking Error***

<b><u>Fund</u></b>	<b><u>% BTC Fund Performance</u></b>	<b><u>% Index Performance</u></b>	<b><u>Tracking Error</u></b>
Fixed Income	0.16	0.16	0.00
Large Cap	0.59	0.58	0.01
Small Mid Cap	1.52	1.47	0.05
International	2.41	2.42	-0.01

***2012 Tracking Error***

<b><u>Fund</u></b>	<b><u>% BTC Fund Performance</u></b>	<b><u>% Index Performance</u></b>	<b><u>Tracking Error</u></b>
Fixed Income	4.46	4.36	0.10
Large Cap	15.05	14.96	0.09
<b>Small Mid Cap</b>	<b>15.37</b>	<b>14.88</b>	<b>0.49</b>
<b>International</b>	<b>14.01</b>	<b>13.68</b>	<b>0.33</b>

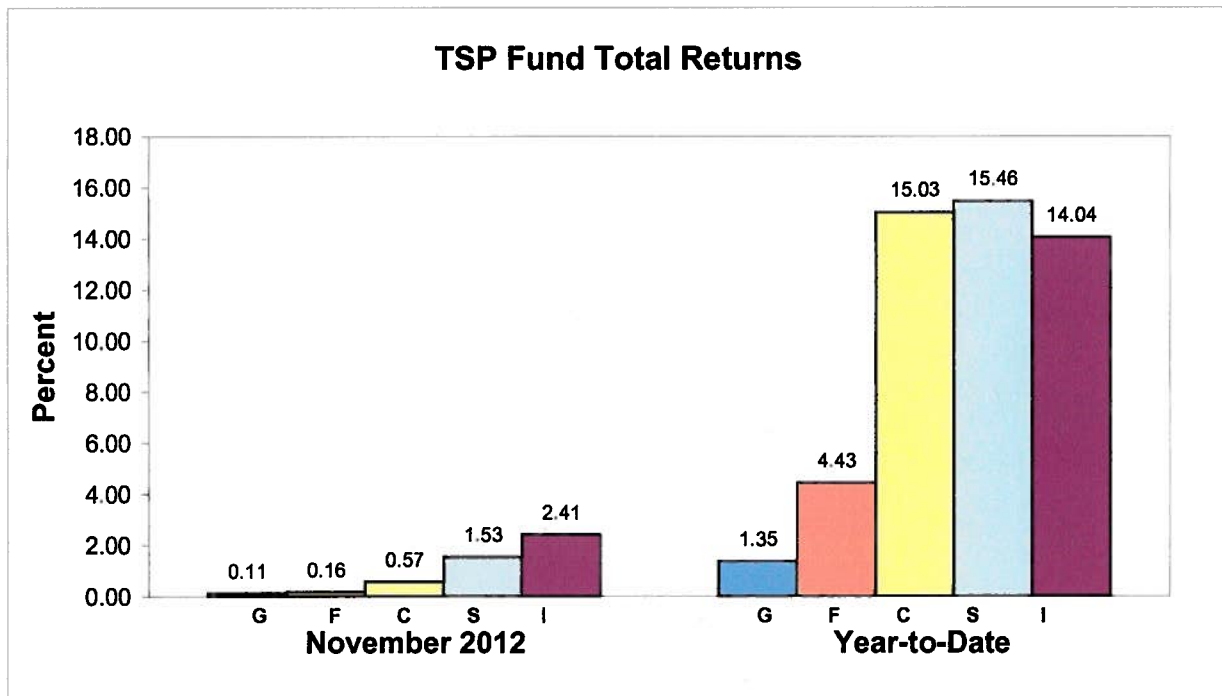
The BlackRock Extended Equity Market Fund E has outperformed by 49 basis points year to date, primarily due to the optimization process and securities lending income. The BlackRock EAFE Equity Index Fund E has outperformed by 33 basis points year to date, primarily as a result of the tax effect.

**Trading Costs**

	<u>Dollar Amount Traded</u>	<u>Trading Costs</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
November 2012	737,087,482	218,361	3.0
Year-to-Date	7,702,579,558	6,677,284	8.7
<u>C Fund</u>			
November 2012	1,694,282,195	49,027	0.3
Year-to-Date	10,888,672,131	82,477	0.1
<u>S Fund</u>			
November 2012	1,026,793,145	(75,543)	-0.7
Year-to-Date	9,468,115,839	(1,074,978)	-1.1
<u>I Fund</u>			
November 2012	708,616,139	690,755	9.7
Year-to-Date	8,454,867,808	1,270,898	1.5

### **Performance of TSP Funds**

The chart below shows the G, F, C, S, and I Fund net rates of return for November 2012 and 2012.



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.

#### **November 2012**

##### **Total Return %**

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.16	0.16	0.00	0.16
Large Cap	0.57	0.59	-0.02	0.58
Small Cap	1.53	1.52	0.01	1.47
International	2.41	2.41	0.00	2.42

#### **2012**

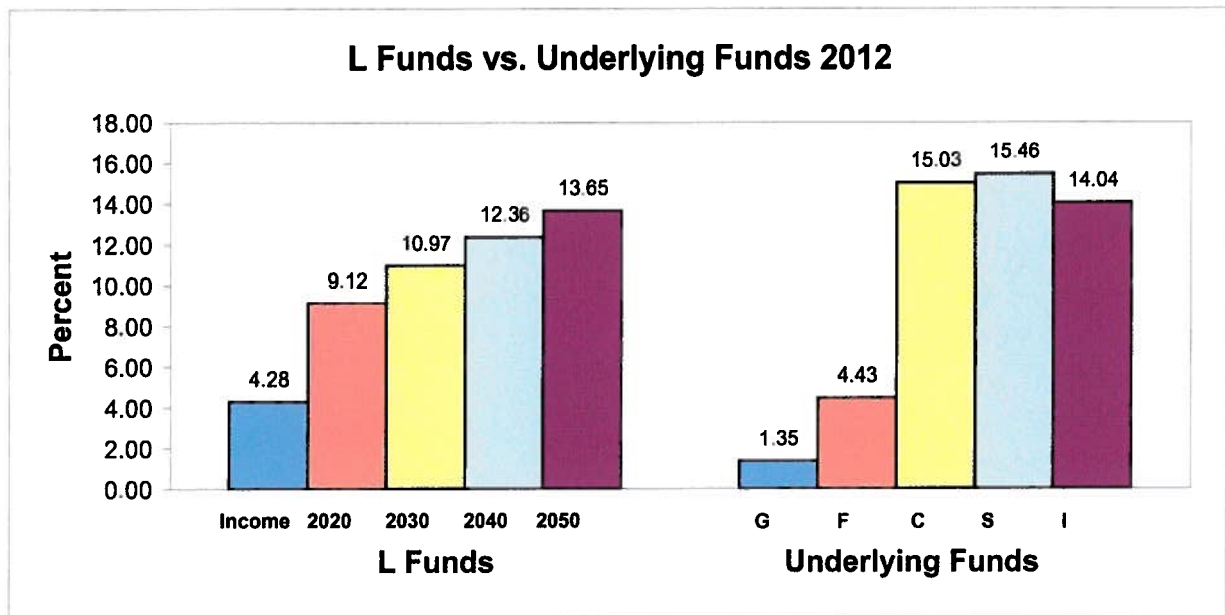
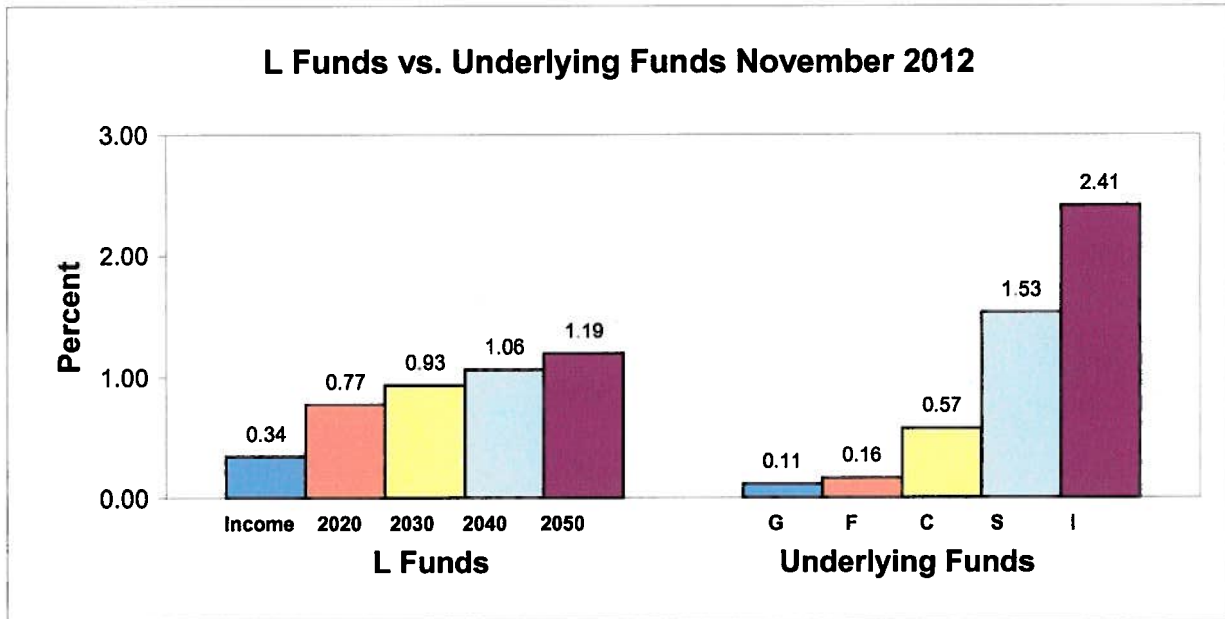
##### **Total Return %**

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	4.43	4.46	-0.03	4.36
Large Cap	15.03	15.05	-0.02	14.96
Small Cap	15.46	15.37	0.09	14.88
International	14.04	14.01	0.03	13.68

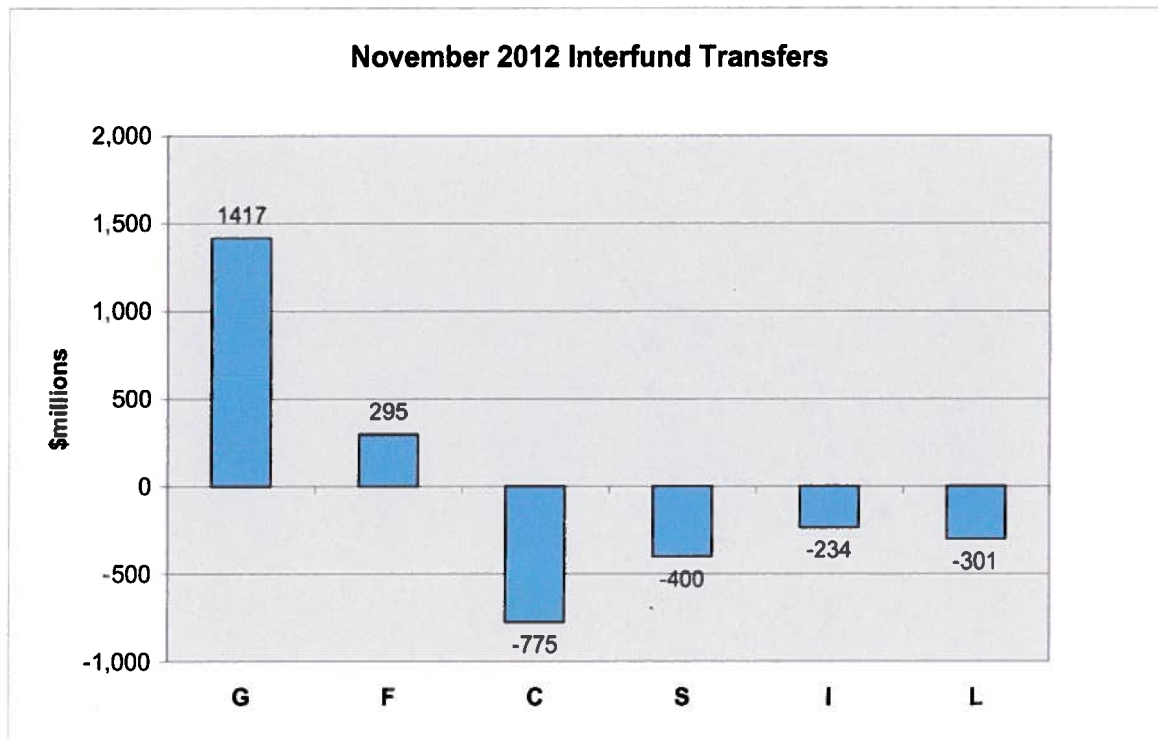
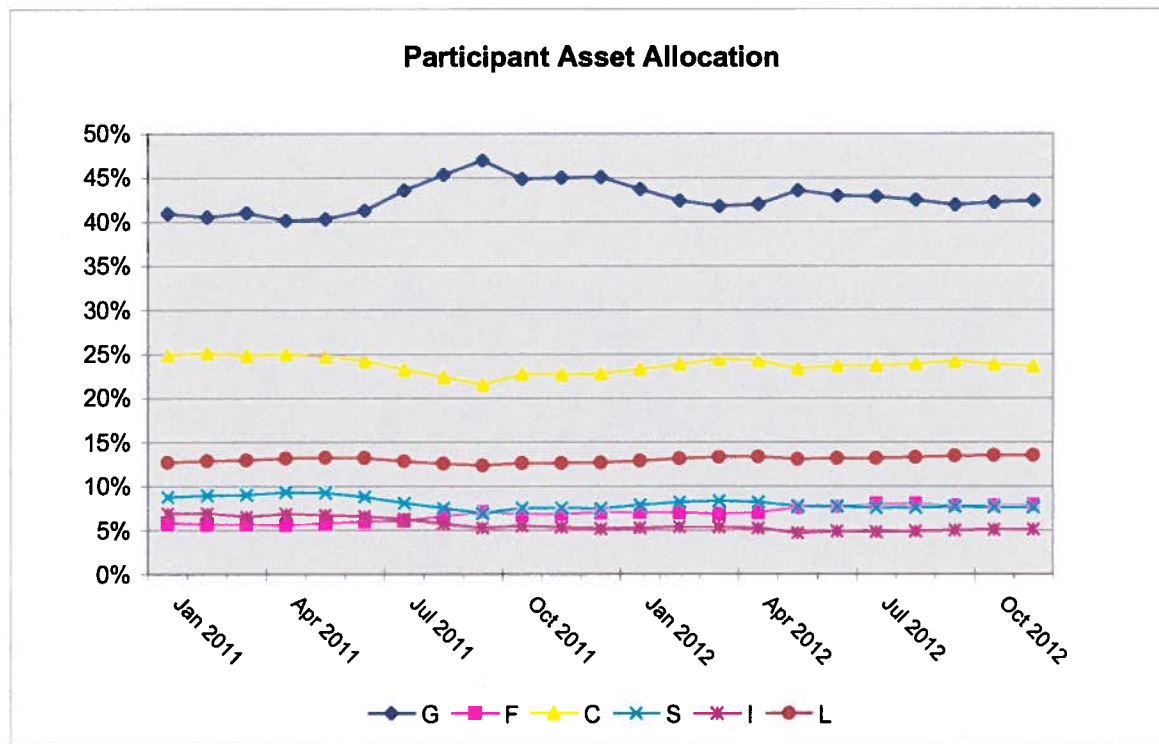
The TSP Funds closely tracked the BTC Funds for the month and year-to-date.

## 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.

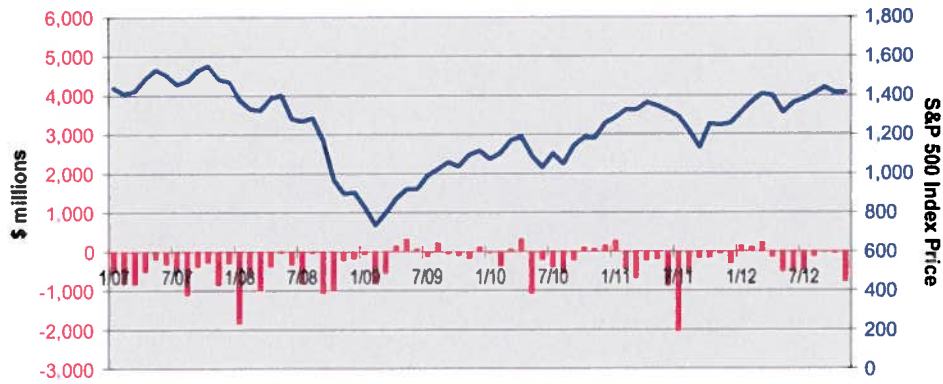


# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

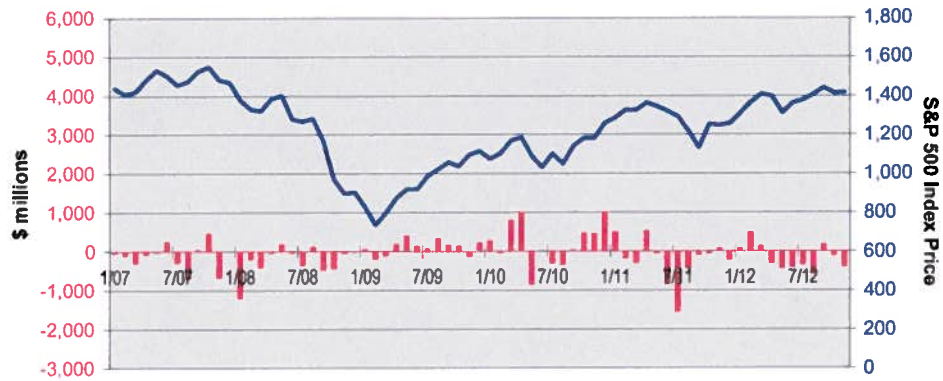


## THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

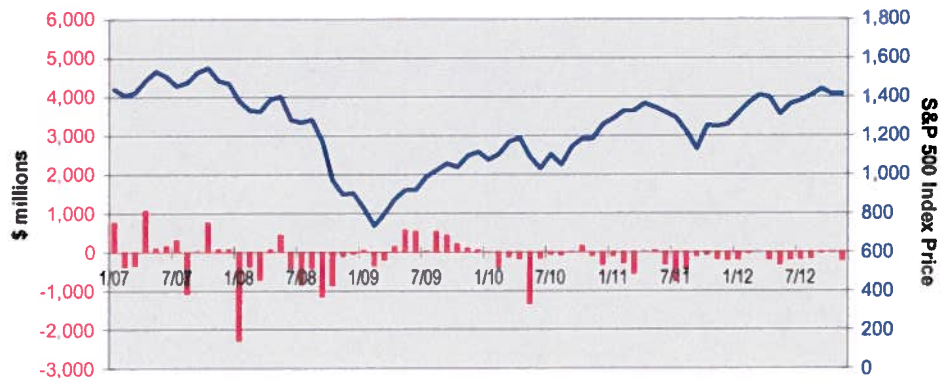
Monthly Interfund Transfers  
C Fund



Monthly Interfund Transfers  
S Fund

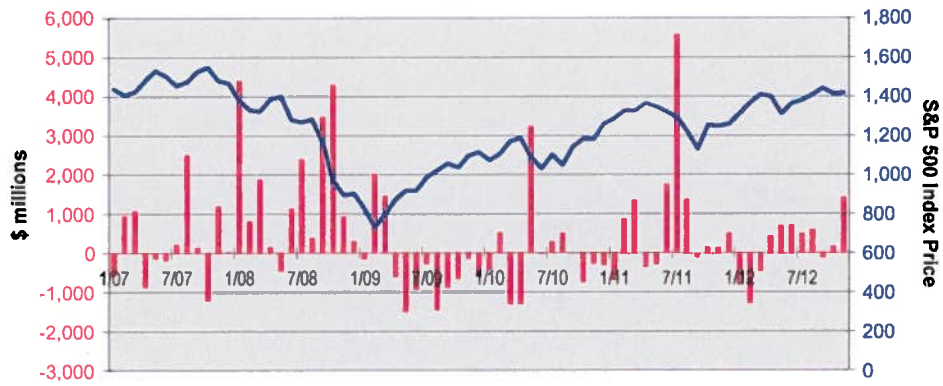


Monthly Interfund Transfers  
I Fund

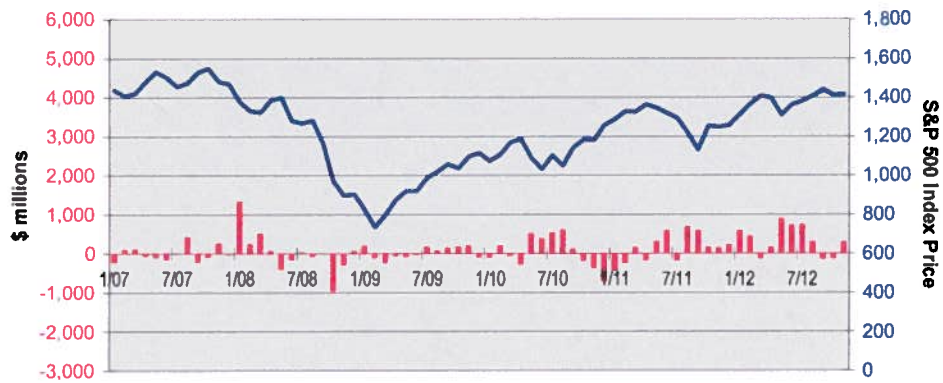


## THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

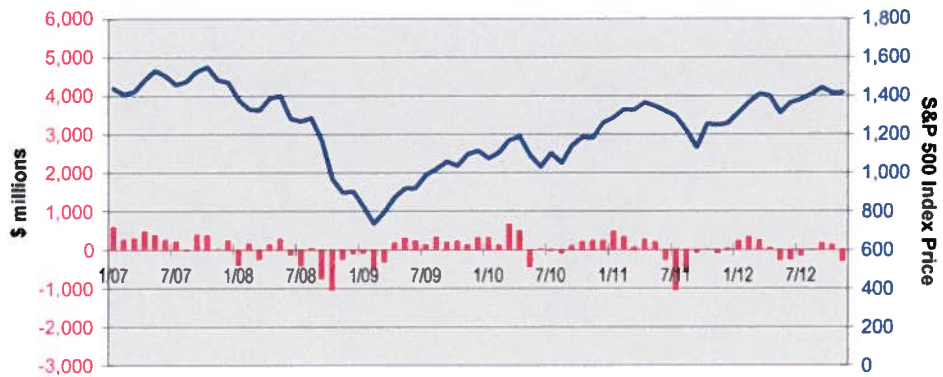
**Monthly Interfund Transfers  
G Fund**



**Monthly Interfund Transfers  
F Fund**



**Monthly Interfund Transfers  
L Funds**

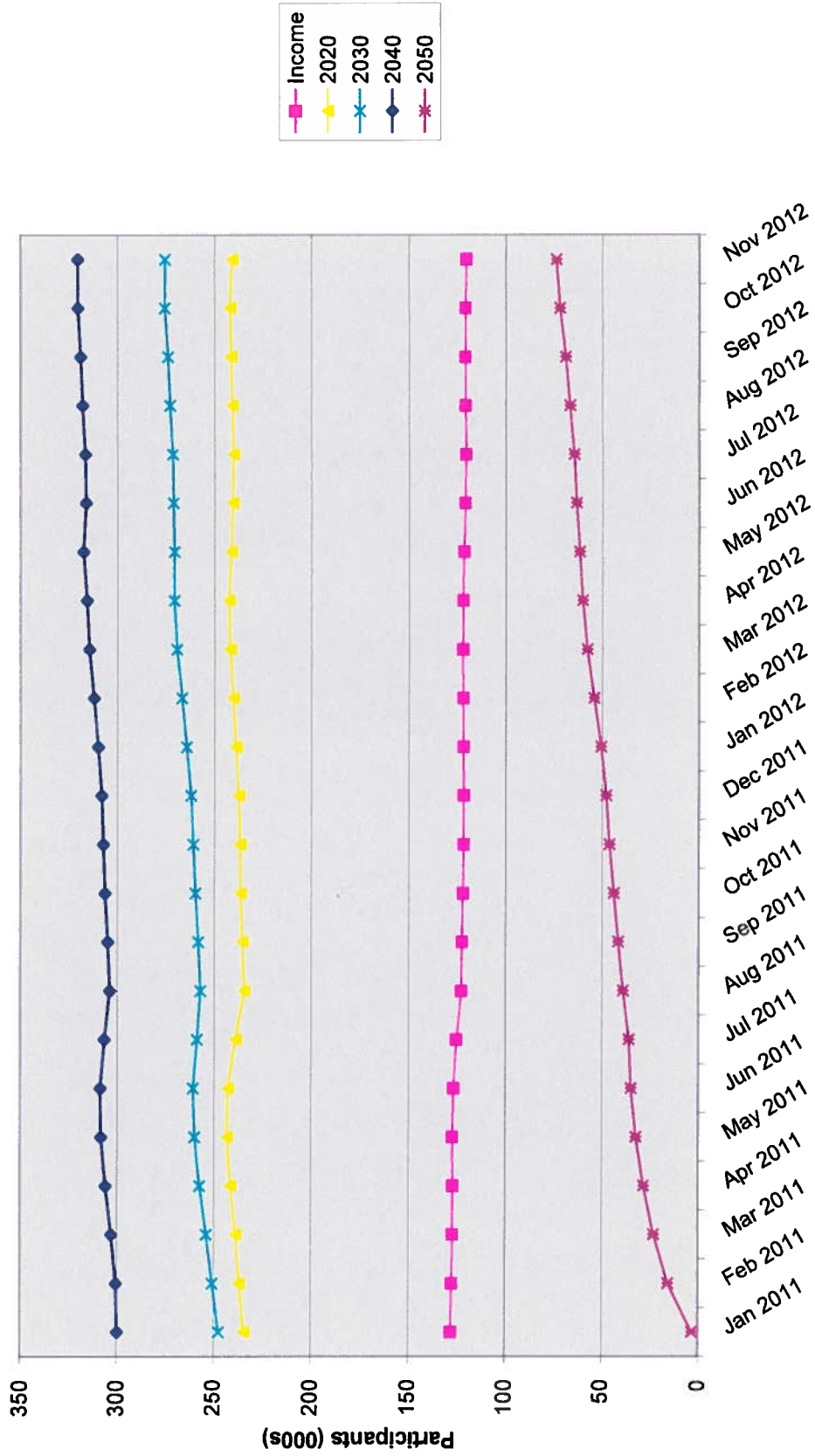




# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

Number of L Fund Participants

Total = 822,461





**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY**  
**G Fund Rate vs. Market Yields of U.S. Government Securities**

