



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

August 2, 2013

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY
CHIEF INVESTMENT OFFICER

SUBJECT: July 2013 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 July 2013, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR - BlackRock Funds (BTC)

July Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	0.13	0.14	-0.01
Large Cap	5.10	5.09	0.01
Small Mid Cap	6.88	6.79	0.09
International	5.29	5.28	0.01

2013 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-2.15	-2.31	0.16
Large Cap	19.66	19.62	0.04
Small Mid Cap	23.67	23.53	0.14
International	8.95	9.60	-0.65

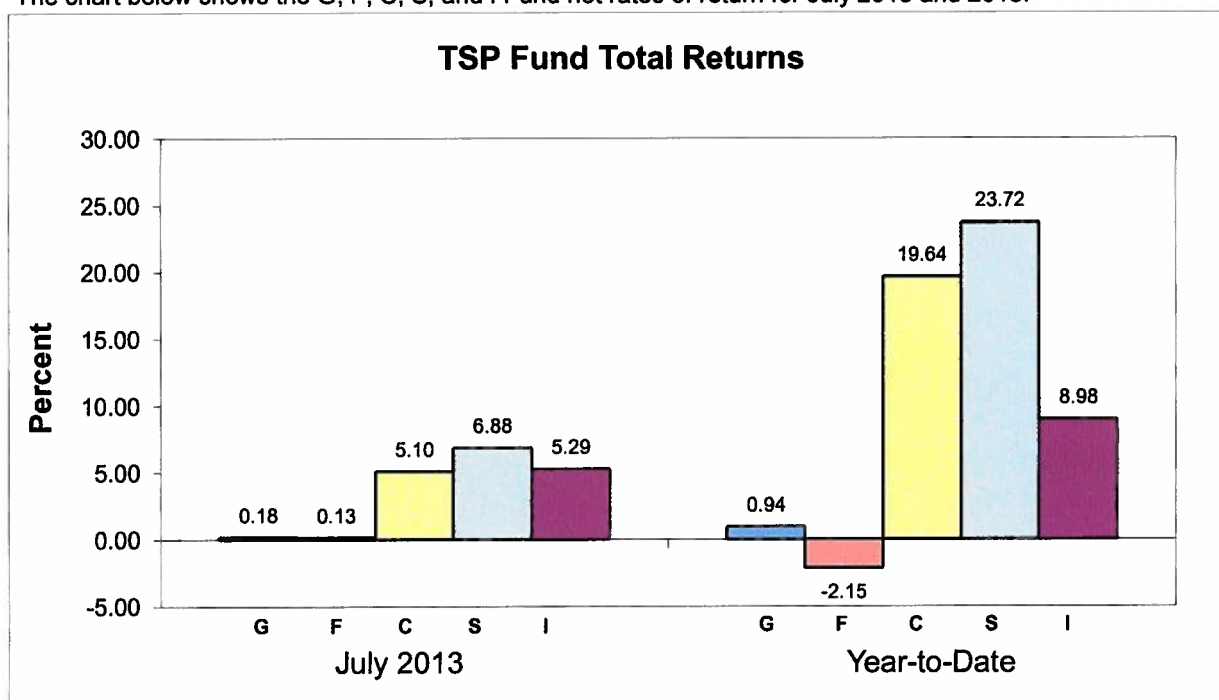
The BlackRock U.S. Debt Index Fund E has outperformed by 16 basis points year to date, primarily due to a change in the pricing source for mortgage-backed securities that was implemented by BlackRock in January. The BlackRock Extended Equity Market Fund outperformed by 14 basis points due to the optimization process. The BlackRock EAFE Equity Index Fund E underperformed by 65 basis points year to date, primarily as a result of the tax effect and fair valuation on December 28, 2012.

Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
July 2013	606,663,829	82,576	1.4
Year-to-Date	7,066,458,746	1,506,081	2.1
<u>C Fund</u>			
July 2013	931,197,669	282,267	3.0
Year-to-Date	8,686,062,951	818,159	0.9
<u>S Fund</u>			
July 2013	730,958,344	27	0.0
Year-to-Date	8,613,147,318	(104,162)	-0.1
<u>I Fund</u>			
July 2013	750,227,115	593,698	7.9
Year-to-Date	6,205,281,511	(3,564,099)	-5.7

Performance of TSP Funds

The chart below shows the G, F, C, S, and I Fund net rates of return for July 2013 and 2013.



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.

July 2013

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.13	0.13	0.00	0.14
Large Cap	5.10	5.10	0.00	5.09
Small Cap	6.88	6.88	0.00	6.79
International	5.29	5.29	0.00	5.28

2013

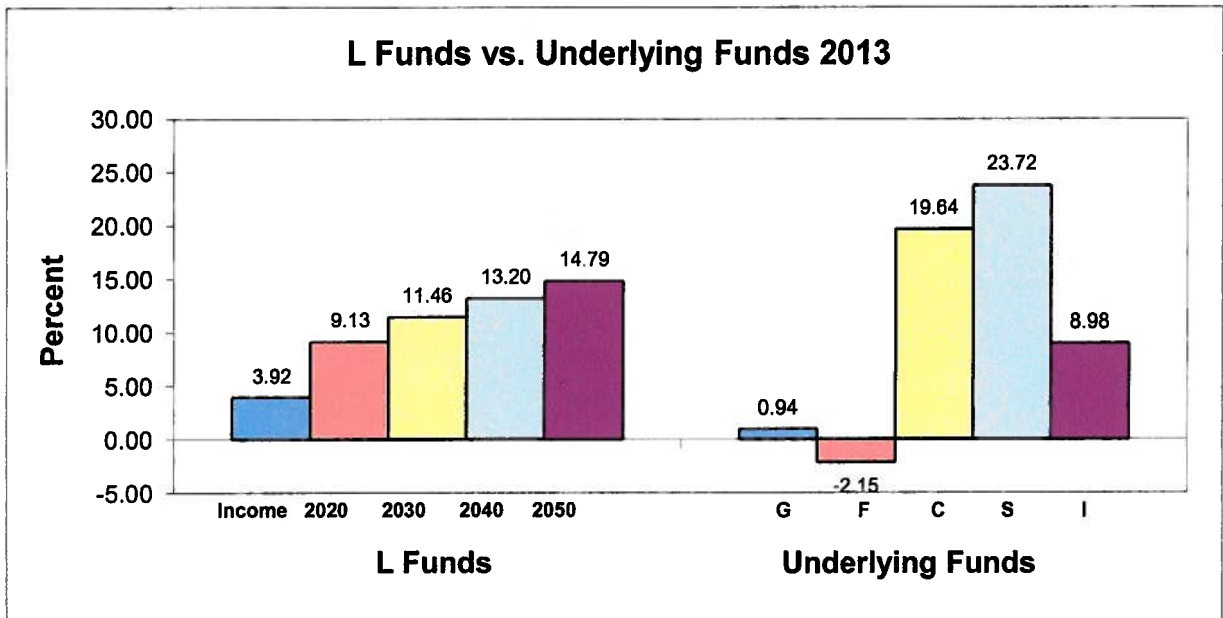
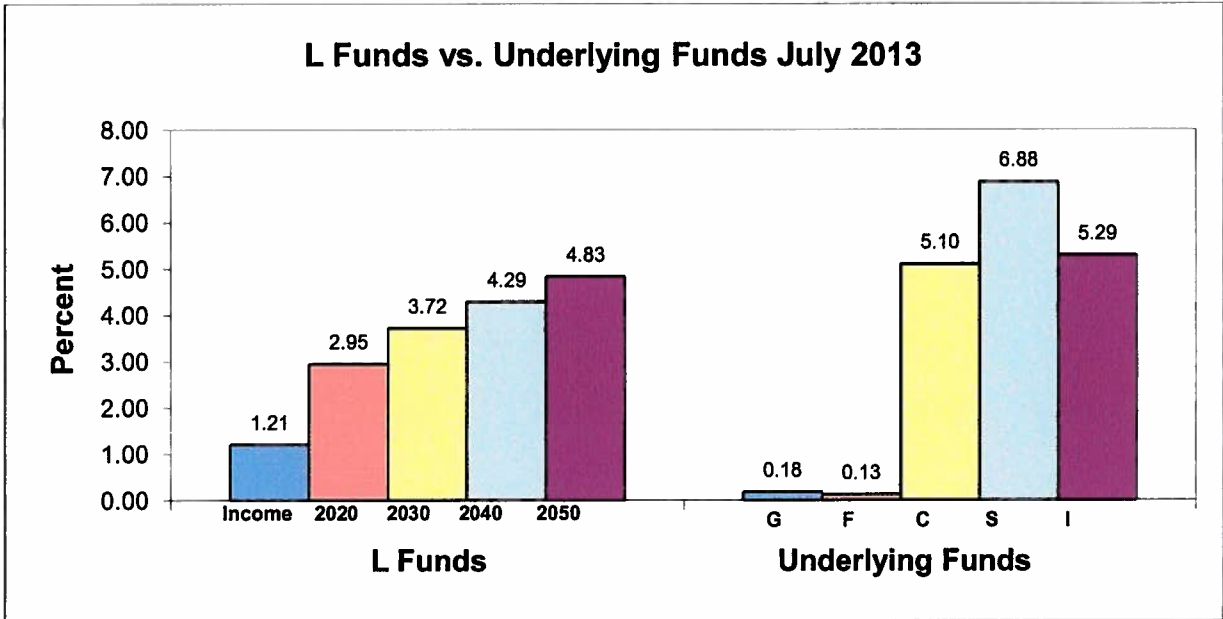
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-2.15	-2.15	0.00	-2.31
Large Cap	19.64	19.66	-0.02	19.62
Small Cap	23.72	23.67	0.05	23.53
International	8.98	8.95	0.03	9.60

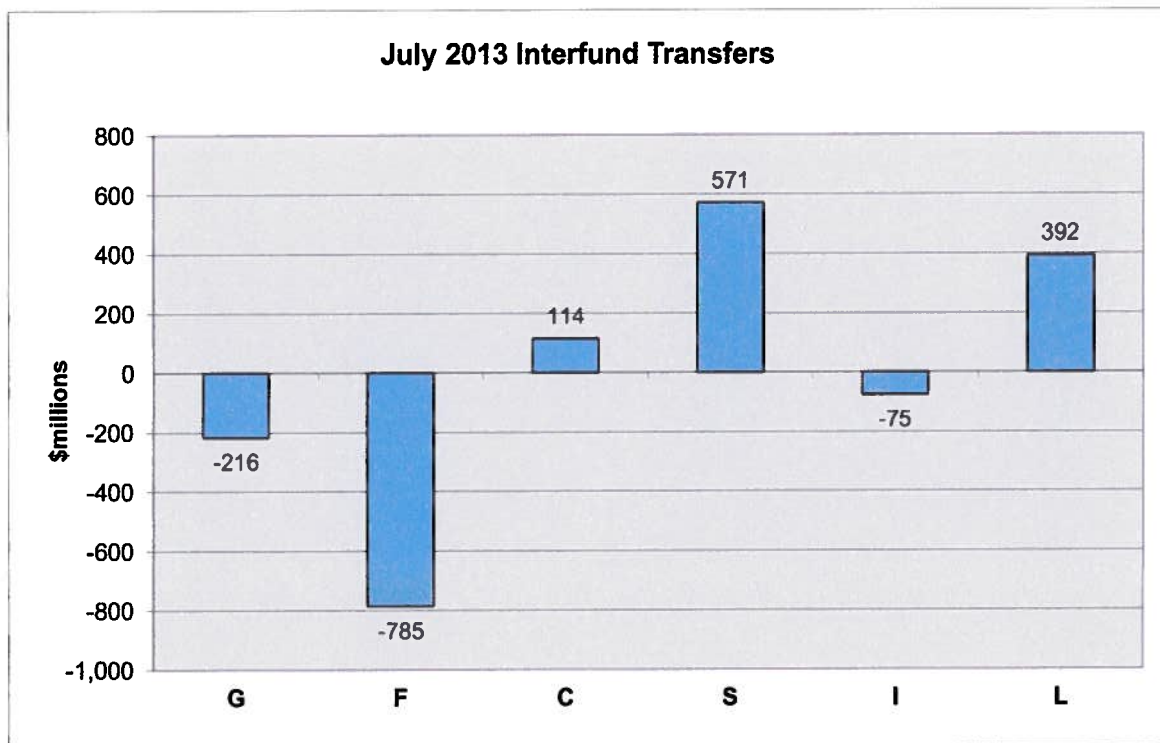
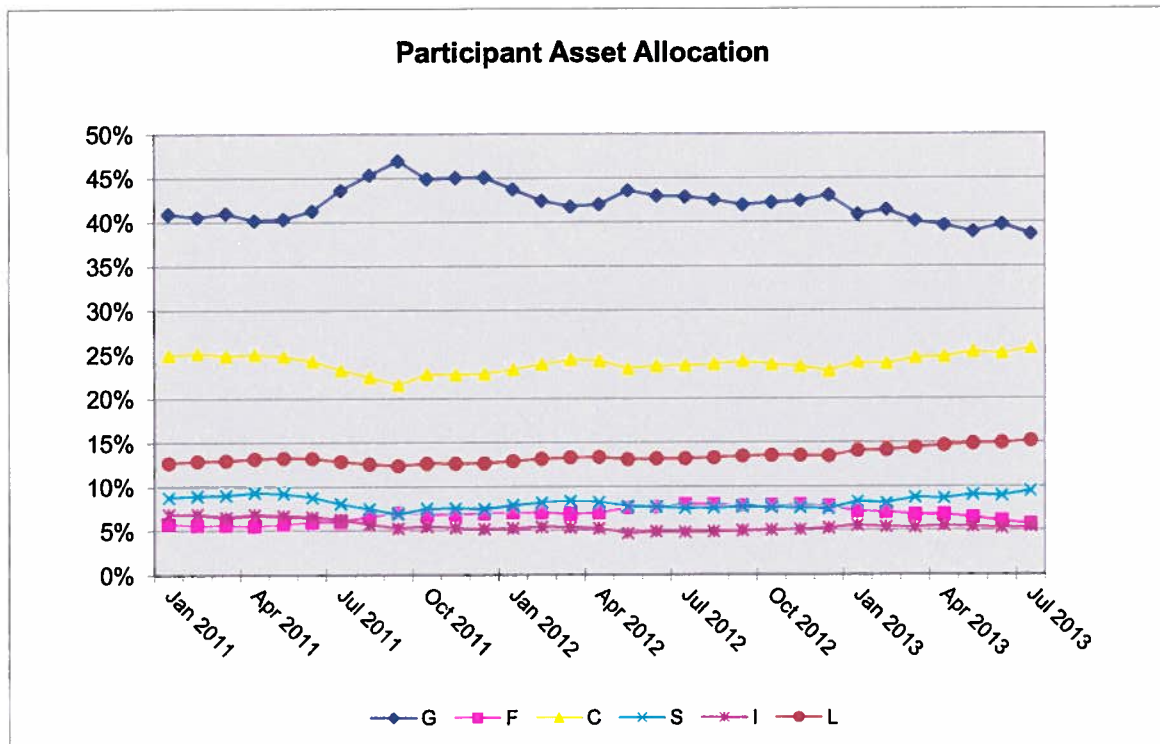
The TSP Funds closely tracked the BTC Funds for the month and year-to-date.

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.

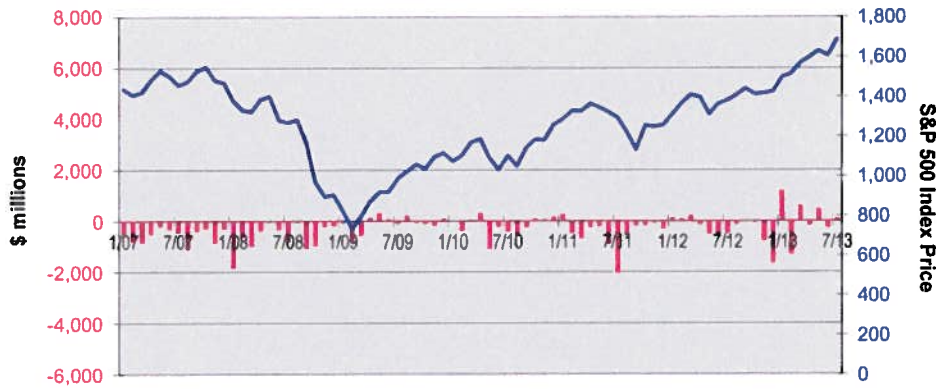


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2013

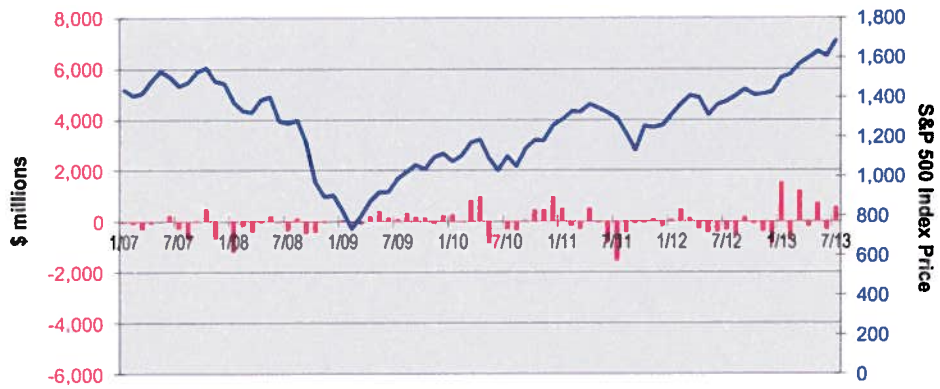


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY **July 2013**

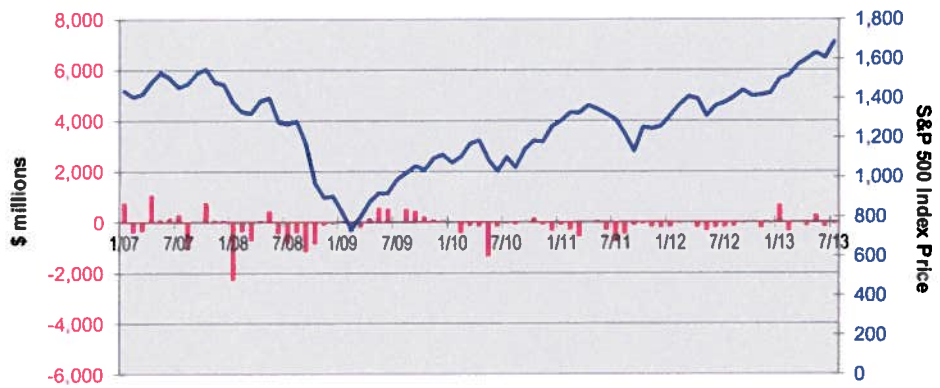
**Monthly Interfund Transfers
C Fund**



**Monthly Interfund Transfers
S Fund**

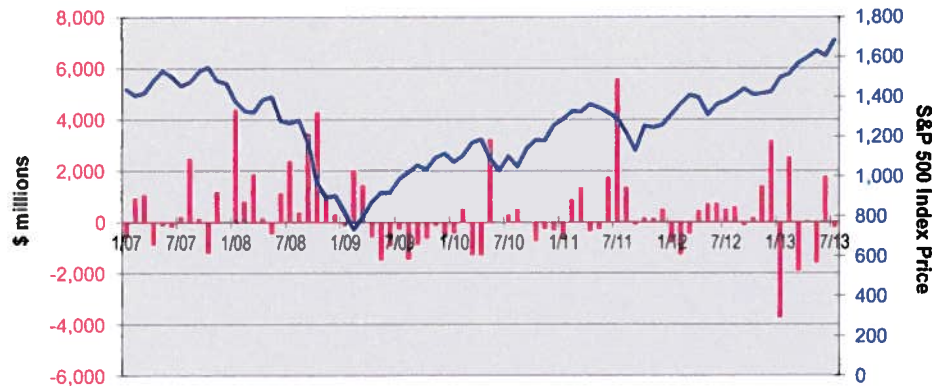


**Monthly Interfund Transfers
I Fund**

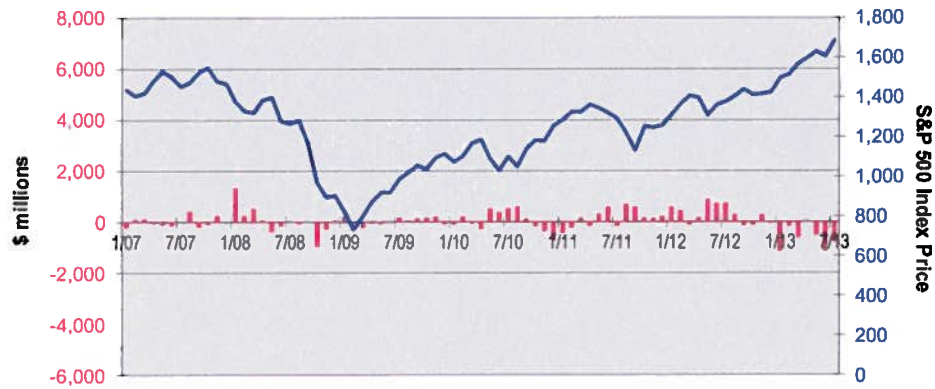


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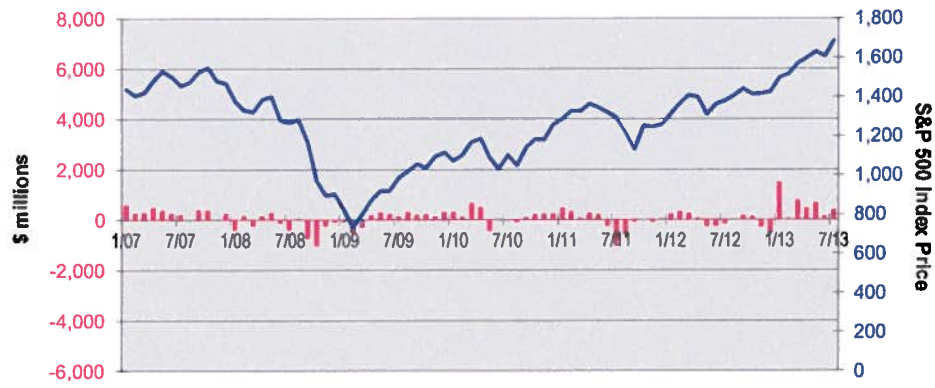
**Monthly Interfund Transfers
G Fund**



**Monthly Interfund Transfers
F Fund**



**Monthly Interfund Transfers
L Funds**



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2013

