



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

February 6, 2013

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY  
CHIEF INVESTMENT OFFICER

A handwritten signature in black ink, appearing to be "TRAY", located to the right of the "FROM:" line.

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

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

***January 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>
<b>Fixed Income</b>	<b>-0.56</b>	<b>-0.70</b>	<b>0.14</b>
Large Cap	5.19	5.18	0.01
Small Mid Cap	6.94	6.97	-0.03
<b>International</b>	<b>4.44</b>	<b>5.27</b>	<b>-0.83</b>

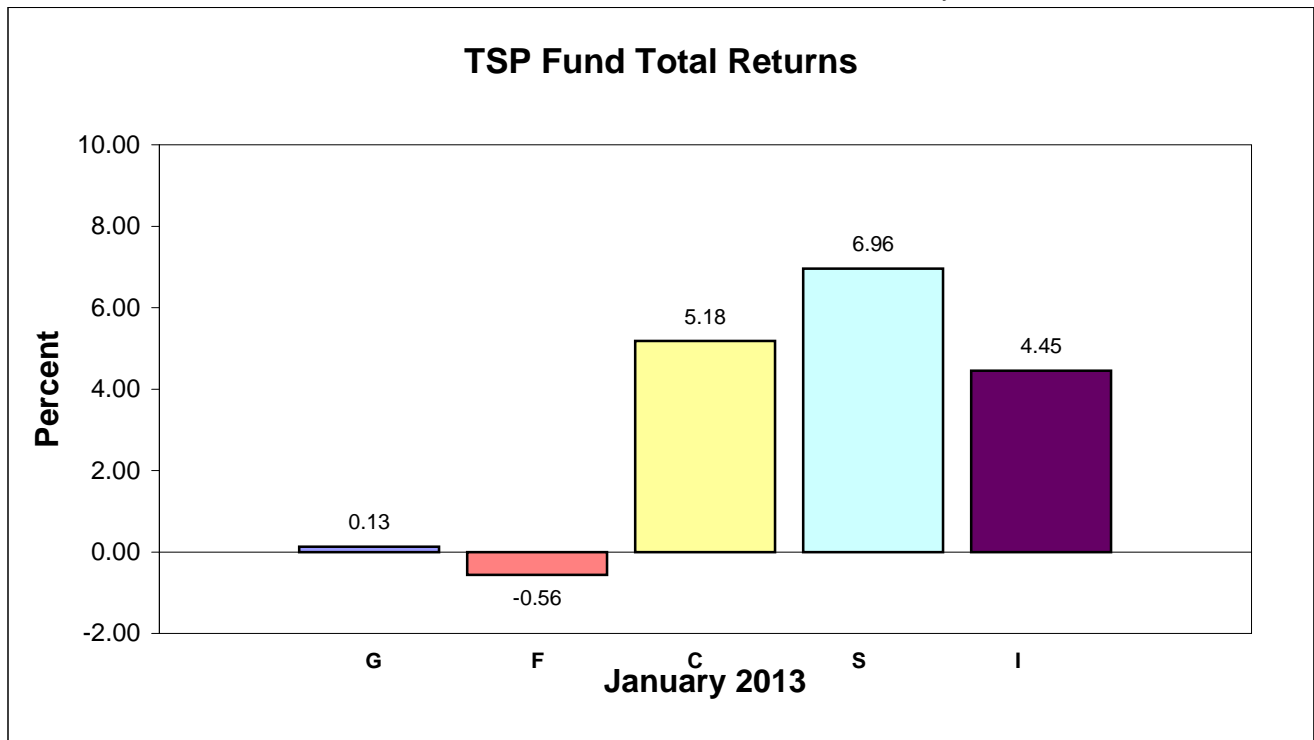
BlackRock's U.S. Debt Index Fund outperformed the index by 14 basis points, primarily due to a change in the pricing source for mortgage-backed securities that was implemented by BlackRock in January. The EAFE Equity Index Fund underperformed by 83 basis points in January, primarily as a result of fair valuation on December 31, 2012.

**Trading Costs**

		<b><u>Trading Costs</u></b>	
		<b><u>\$</u></b>	<b><u>Basis Points</u></b>
<b><u>F Fund</u></b>			
January 2013	1,128,965,866	20,497	0.2
<b><u>C Fund</u></b>			
January 2013	1,696,984,749	11,920	0.1
<b><u>S Fund</u></b>			
January 2013	1,735,380,023	(1,659,846)	-9.6
<b><u>I Fund</u></b>			
January 2013	1,123,935,312	(520,792)	-4.6

## **Performance of TSP Funds**

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

### **January 2013**

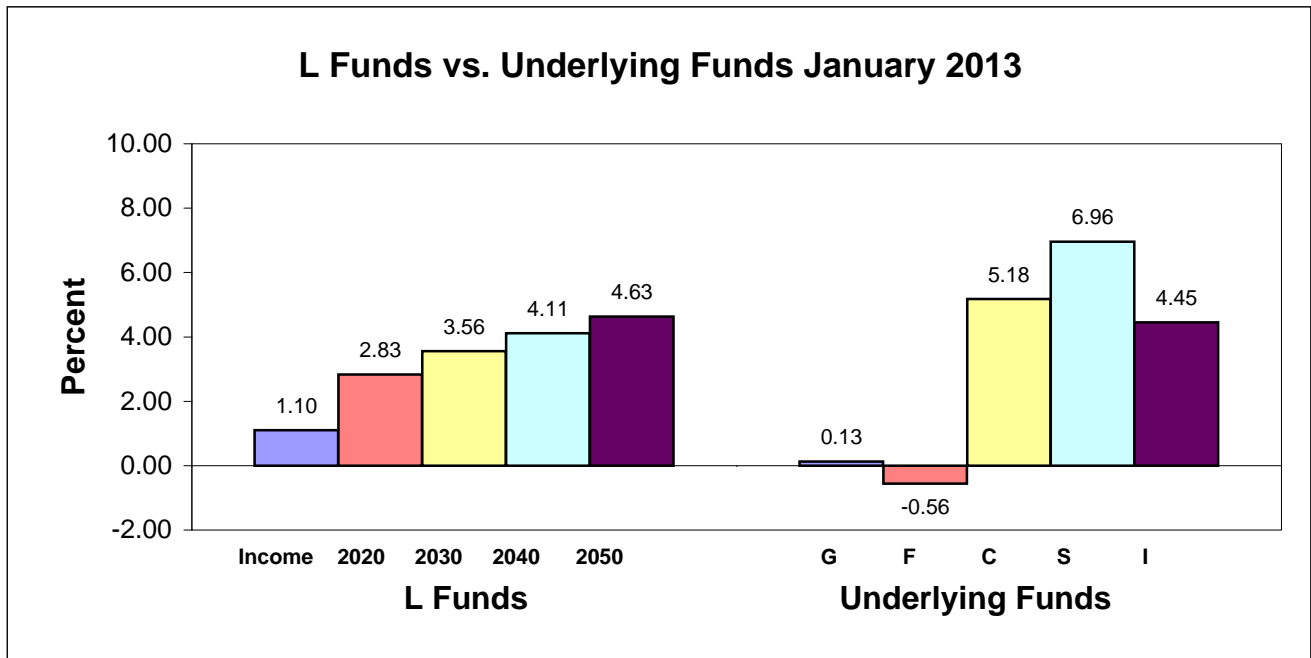
#### **Total Return %**

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.56	-0.56	0.00	-0.70
Large Cap	5.18	5.19	-0.01	5.18
Small Cap	6.96	6.94	0.02	6.97
International	4.45	4.44	0.01	5.27

The TSP Funds closely tracked the BTC Funds.

## 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.



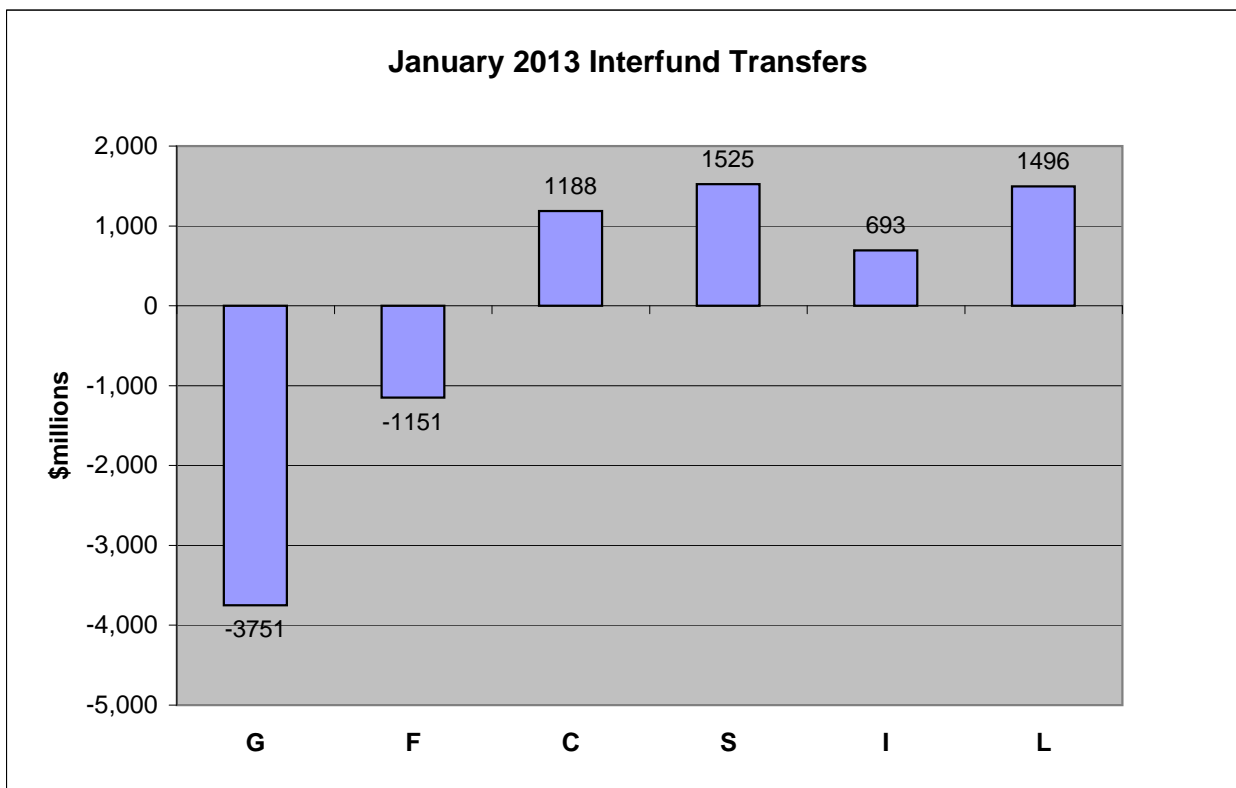
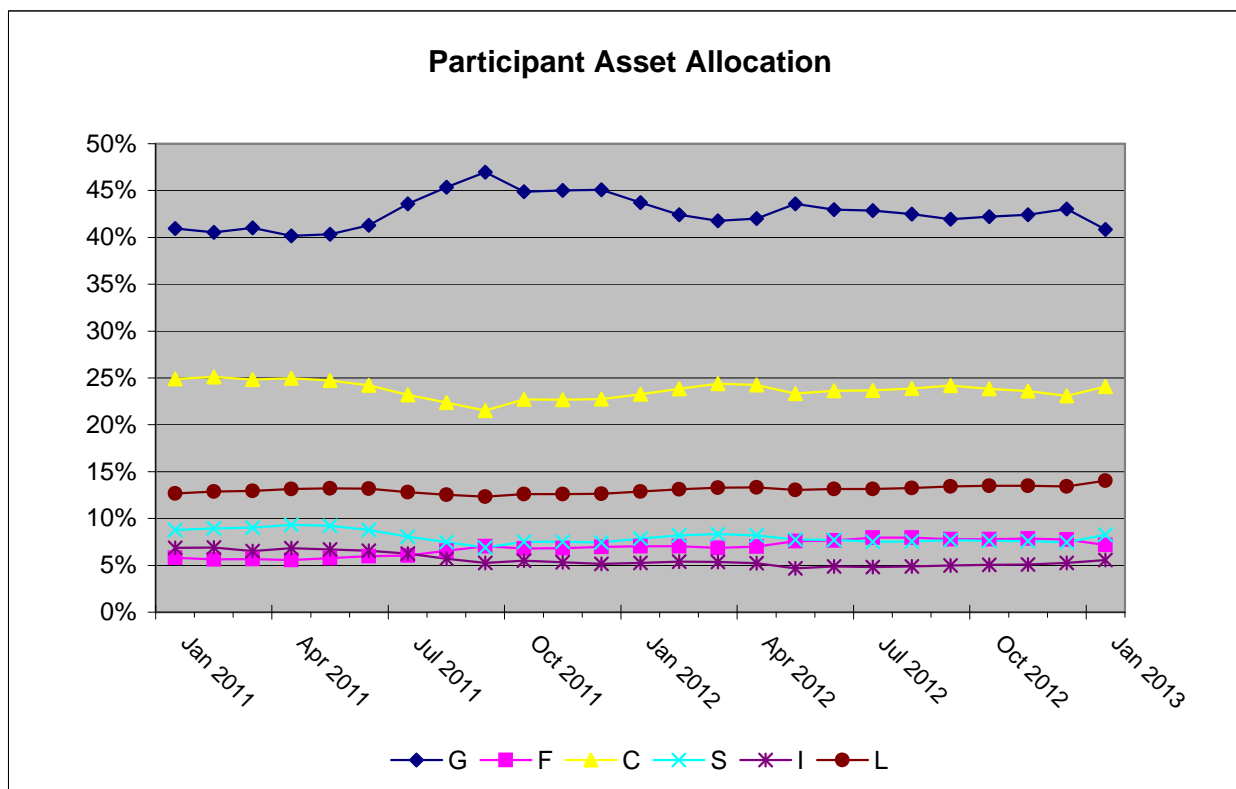
## **THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY**

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

Attachment

# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

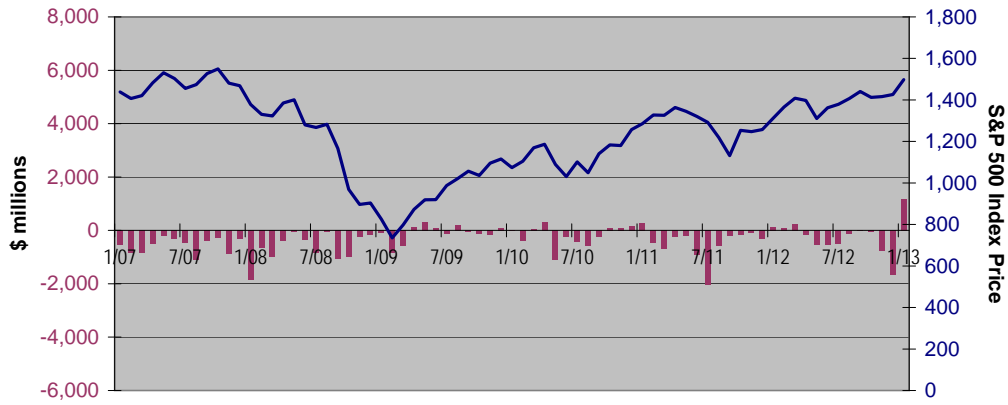
## January 2013



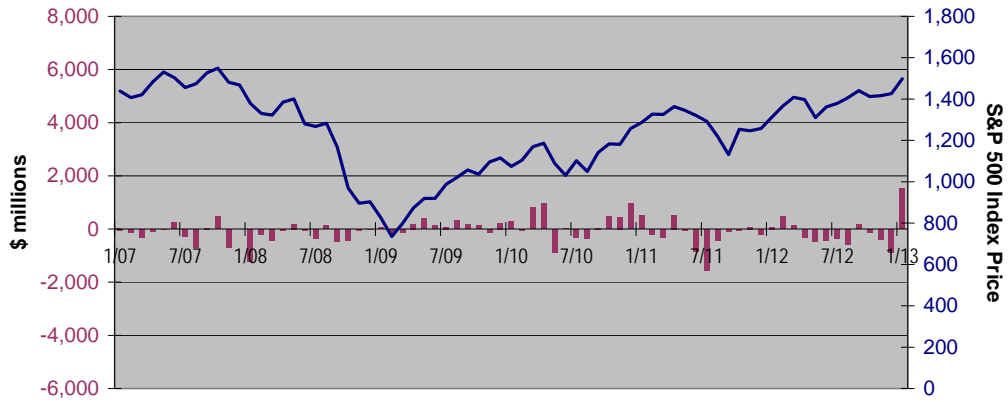
# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

## January 2013

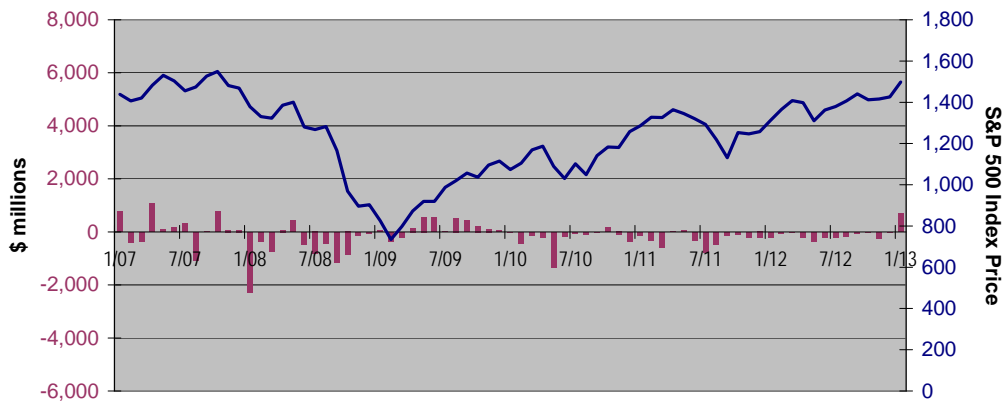
Monthly Interfund Transfers  
C Fund



Monthly Interfund Transfers  
S Fund



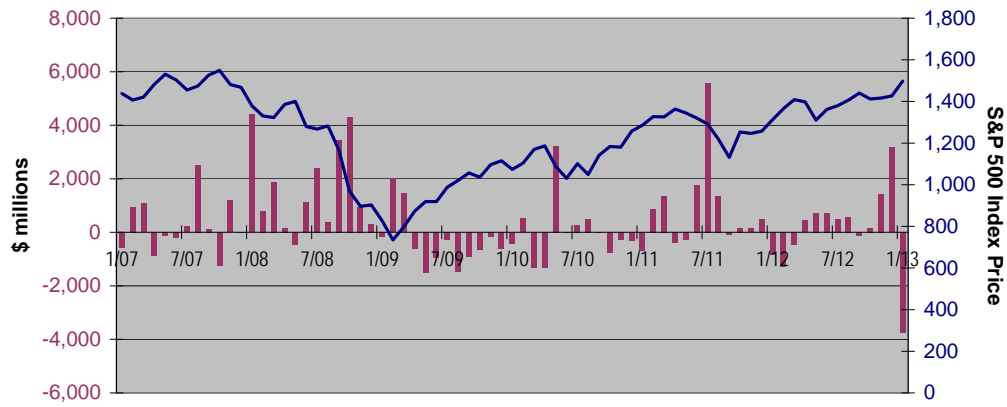
Monthly Interfund Transfers  
I Fund



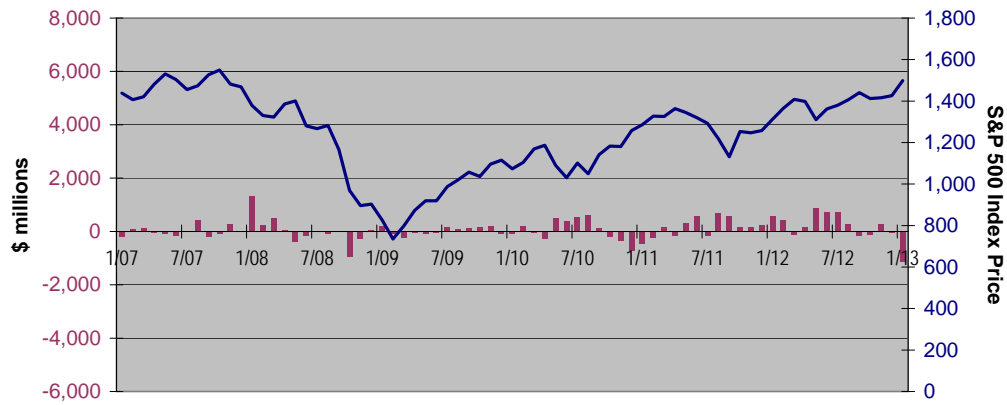
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## January 2013

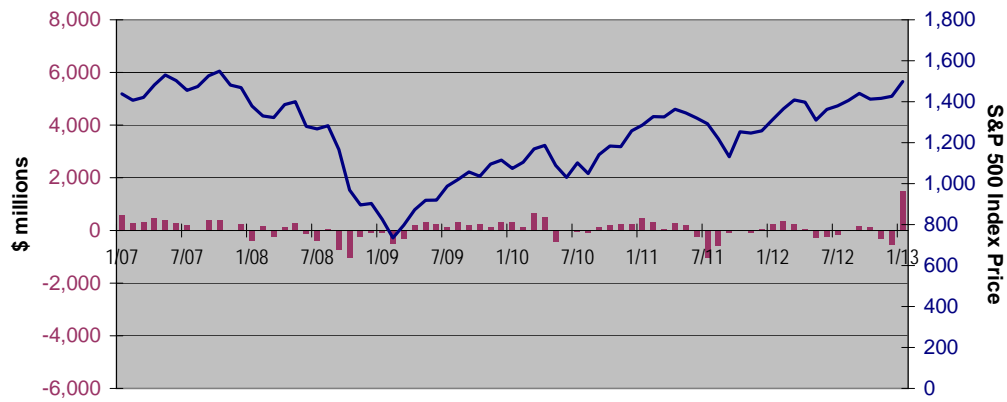
Monthly Interfund Transfers  
G Fund



Monthly Interfund Transfers  
F Fund



Monthly Interfund Transfers  
L Funds





## THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

### January 2013

