



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

March 13, 2013

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY
CHIEF INVESTMENT OFFICER

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

TRACKING ERROR - BlackRock Funds (BTC)

February Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	0.51	0.50	0.01
Large Cap	1.36	1.36	0.00
Small Mid Cap	0.99	0.97	0.02
International	-0.99	-0.95	-0.04

2013 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.06	-0.20	0.14
Large Cap	6.62	6.61	0.01
Small Mid Cap	8.00	8.01	-0.01
International	3.41	4.28	-0.87

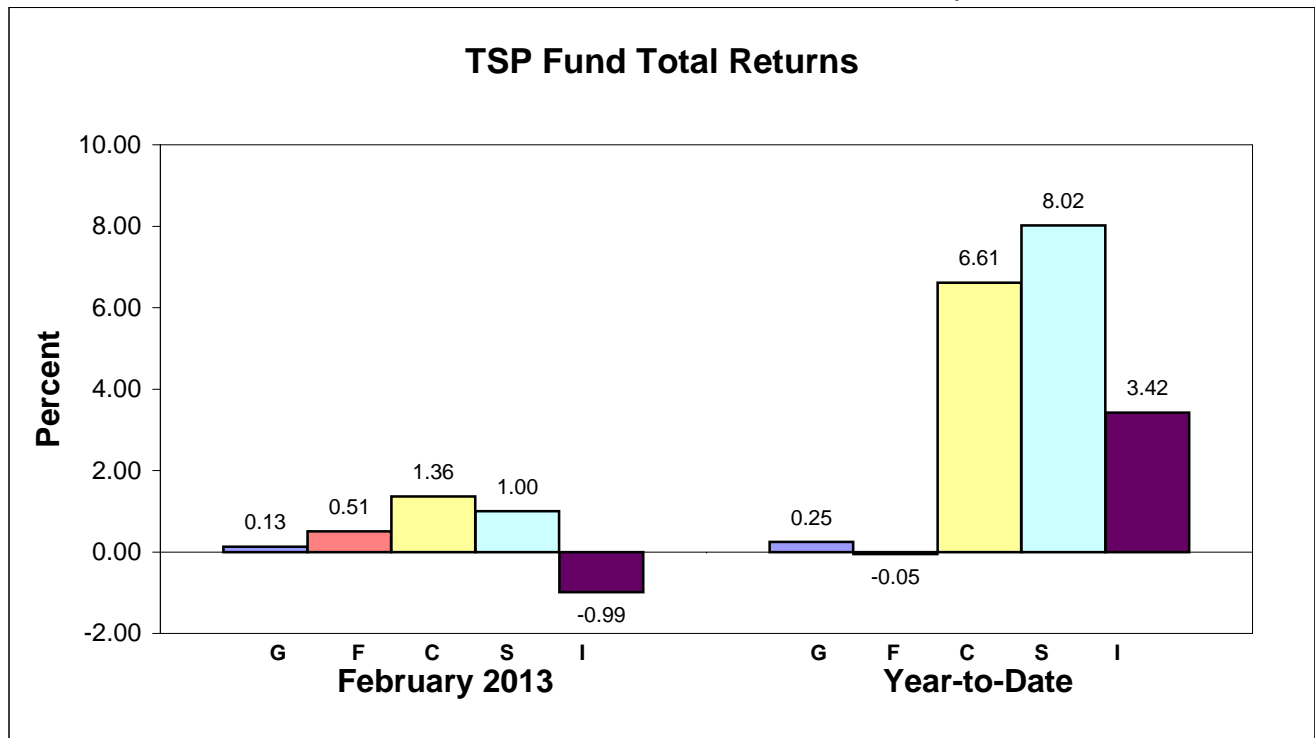
The BlackRock U.S. Debt Index Fund E has outperformed by 14 basis points year to date, primarily due to a change in the pricing source for mortgage-backed securities that was implemented by BlackRock in January. The BlackRock EAFE Equity Index Fund E has underperformed by 87 basis points year to date, primarily as a result of the fair valuation on December 31, 2012.

Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
February 2013	601,546,667	219,693	3.7
Year-to-Date	1,730,512,533	240,190	1.4
<u>C Fund</u>			
February 2013	1,851,222,189	35,721	0.2
Year-to-Date	3,548,206,938	47,642	0.1
<u>S Fund</u>			
February 2013	1,290,930,911	132,519	1.0
Year-to-Date	3,026,310,934	(1,527,327)	-5.0
<u>I Fund</u>			
February 2013	1,018,161,051	(325,570)	-3.2
Year-to-Date	2,142,096,363	(846,362)	-4.0

Performance of TSP Funds

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

February 2013

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.51	0.51	0.00	0.50
Large Cap	1.36	1.36	0.00	1.36
Small Cap	1.00	0.99	0.01	0.97
International	-0.99	-0.99	0.00	-0.95

2013

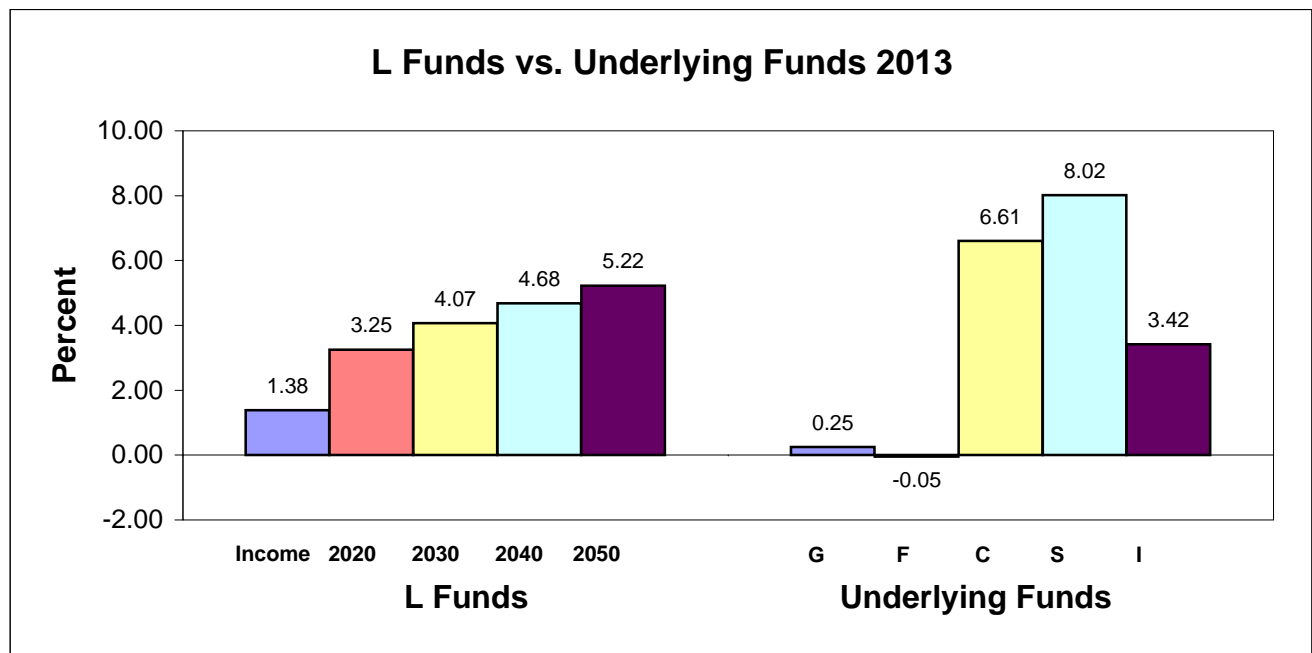
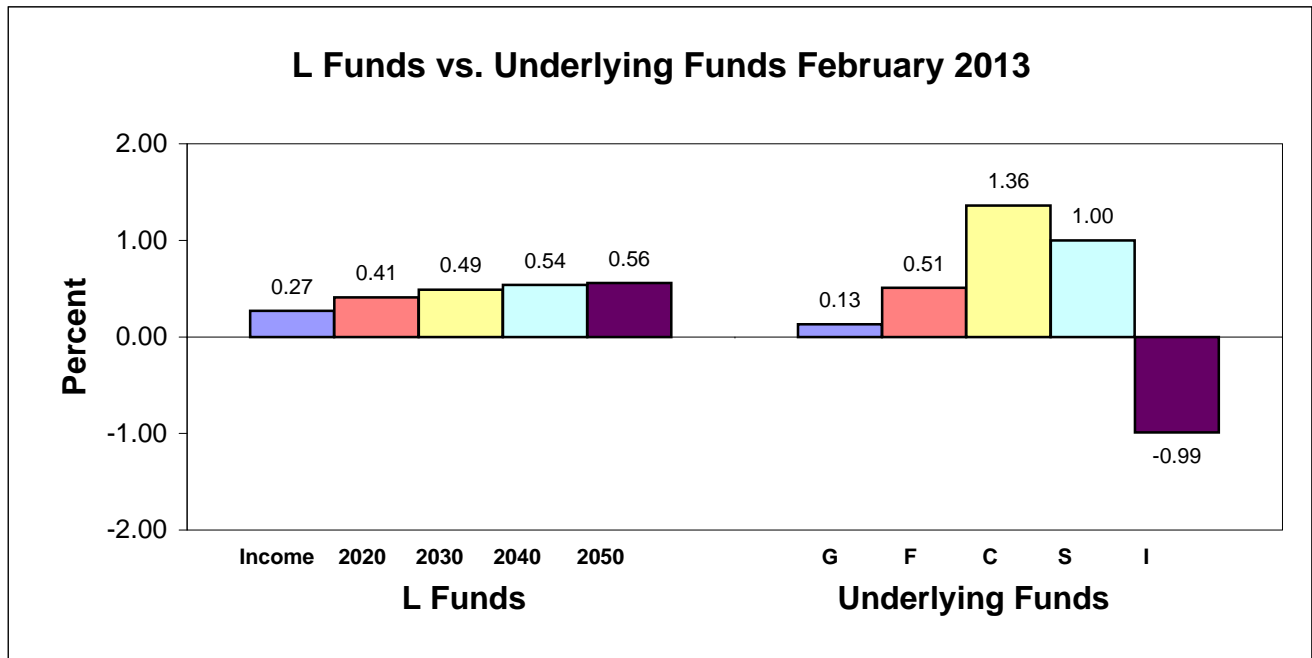
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.05	-0.06	0.01	-0.20
Large Cap	6.61	6.62	-0.01	6.61
Small Cap	8.02	8.00	0.02	8.01
International	3.42	3.41	0.01	4.28

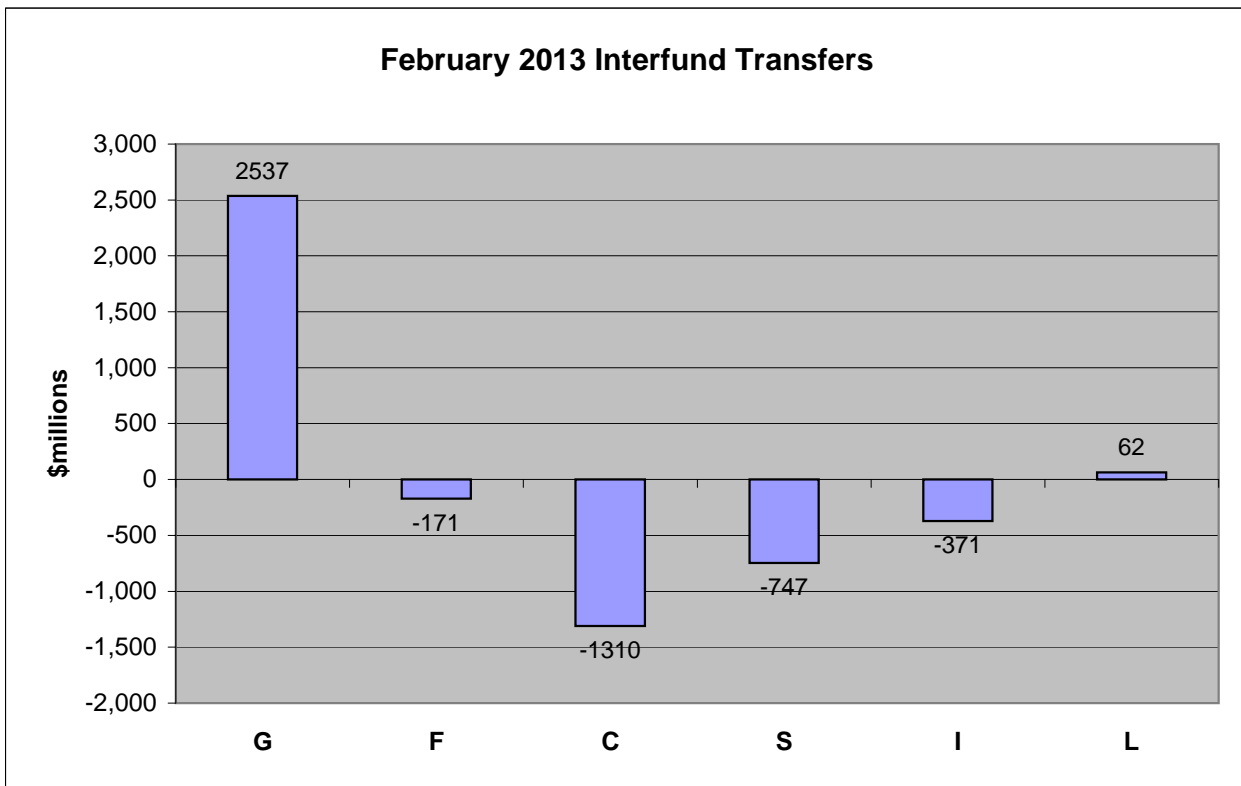
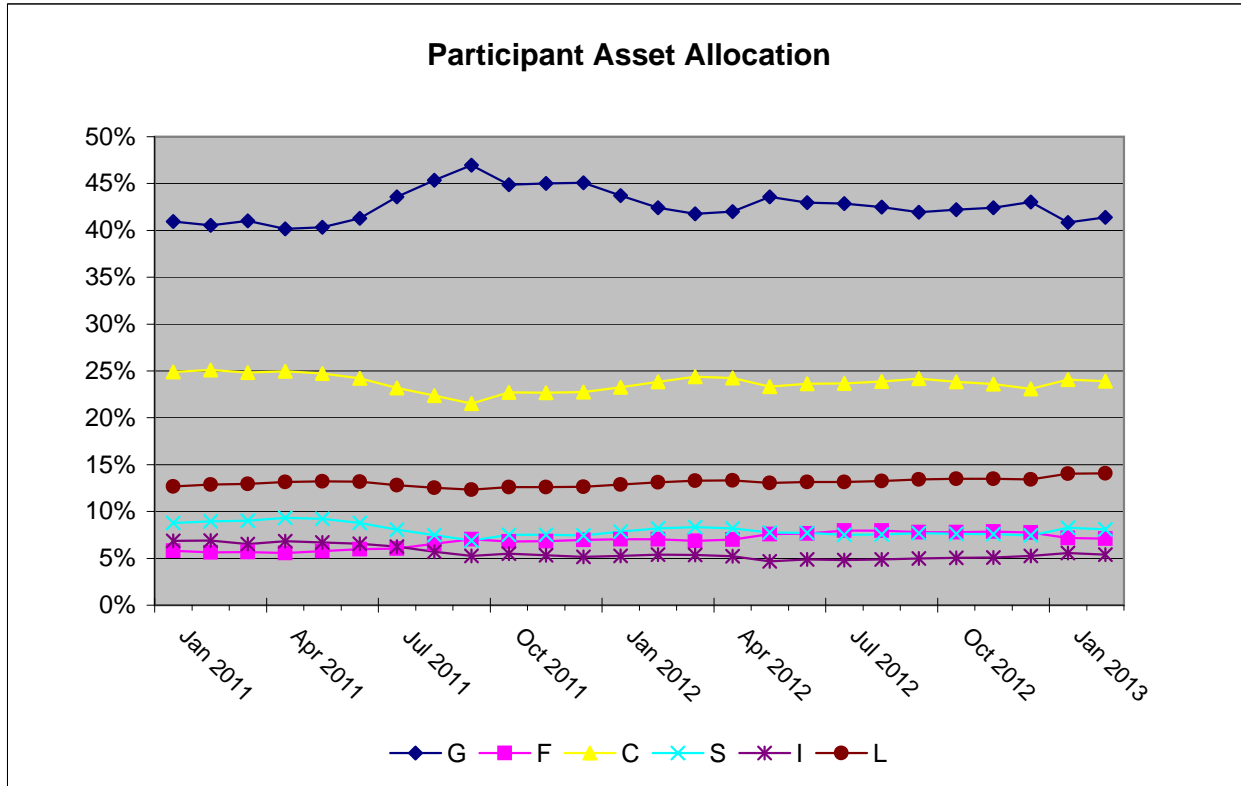
The TSP Funds closely tracked the BTC Funds for the month and year-to-date.

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.



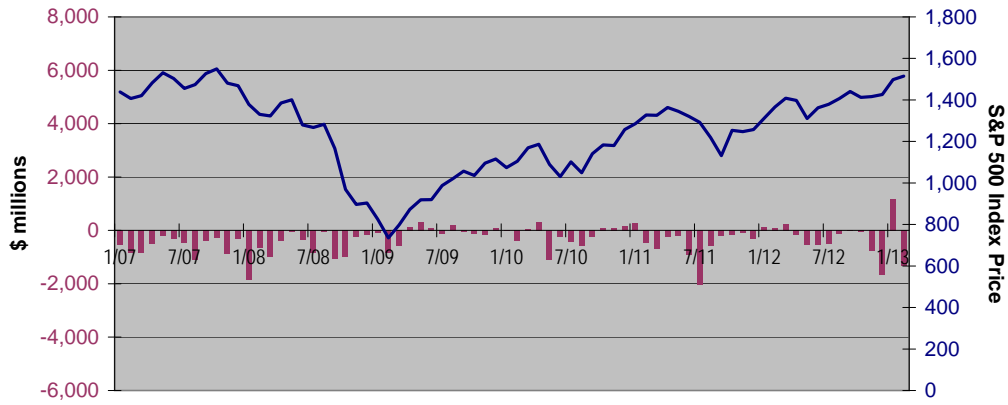
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY February 2013



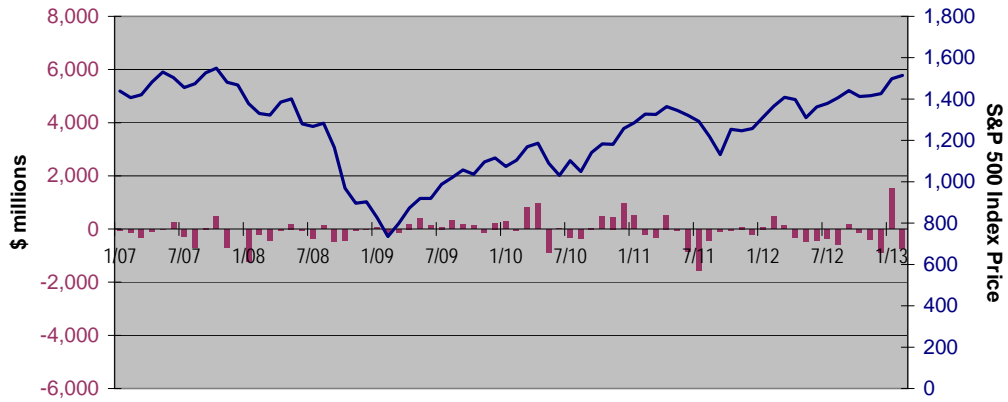
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2013

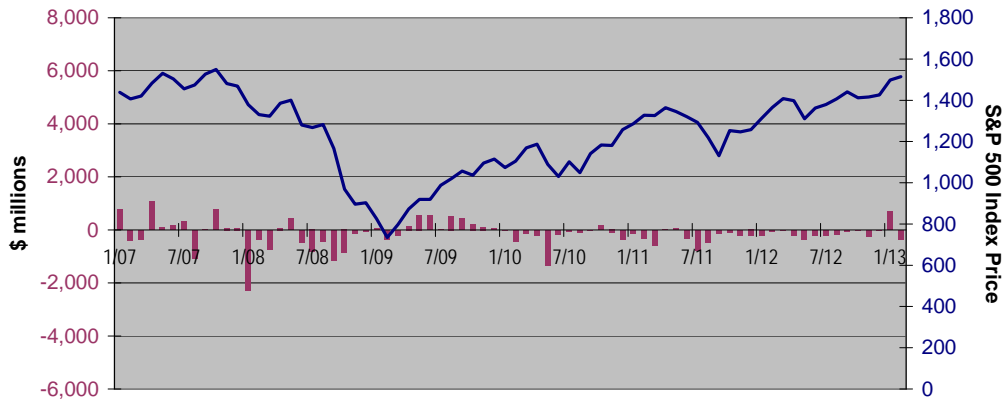
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



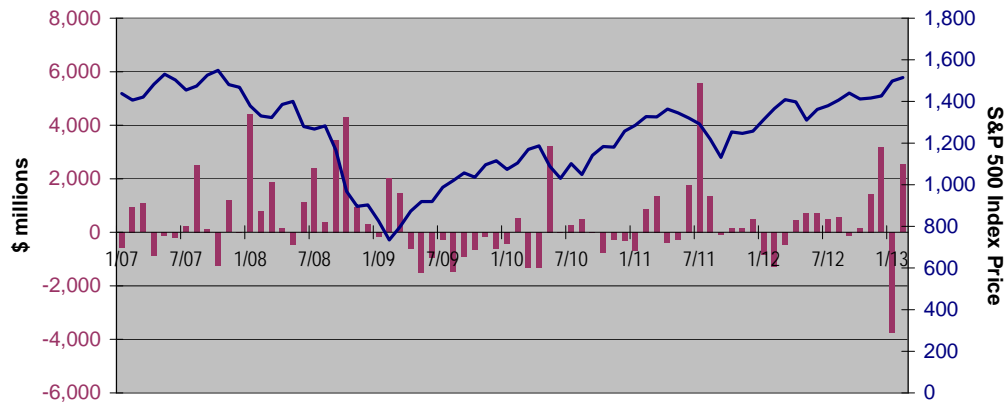
Monthly Interfund Transfers
I Fund



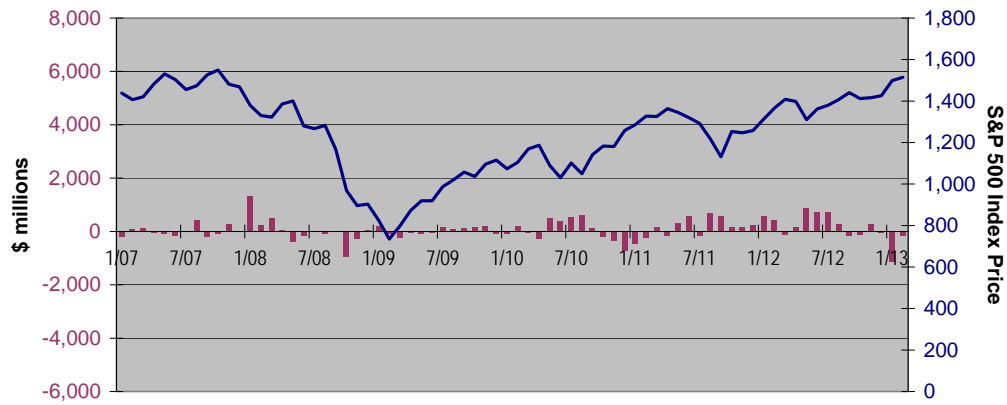
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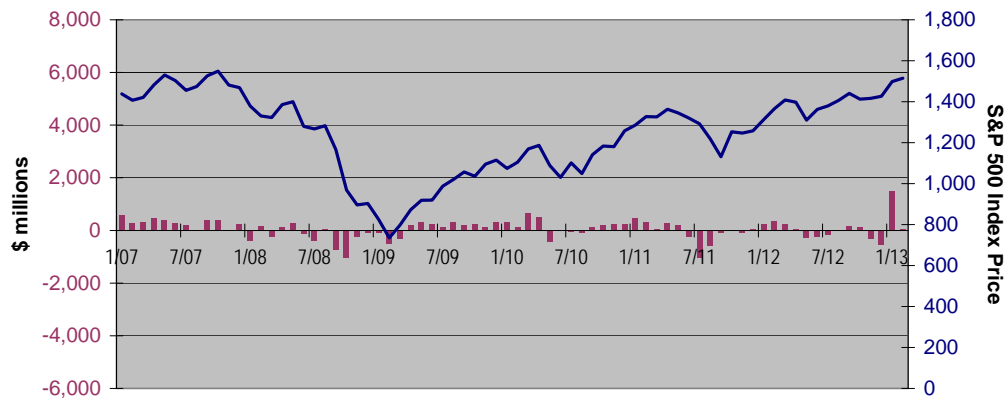
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2013

