



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

June 7, 2013

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY
CHIEF INVESTMENT OFFICER

A handwritten signature in black ink, appearing to be "TR" or "Tracey Ray", written over a light blue horizontal line.

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

TRACKING ERROR - BlackRock Funds (BTC)

May Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-1.78	-1.78	0.00
Large Cap	2.34	2.34	0.00
Small Mid Cap	2.71	2.67	0.04
International	-3.12	-2.41	-0.71

2013 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.76	-0.91	0.15
Large Cap	15.39	15.37	0.02
Small Mid Cap	16.88	16.82	0.06
International	6.44	7.94	-1.50

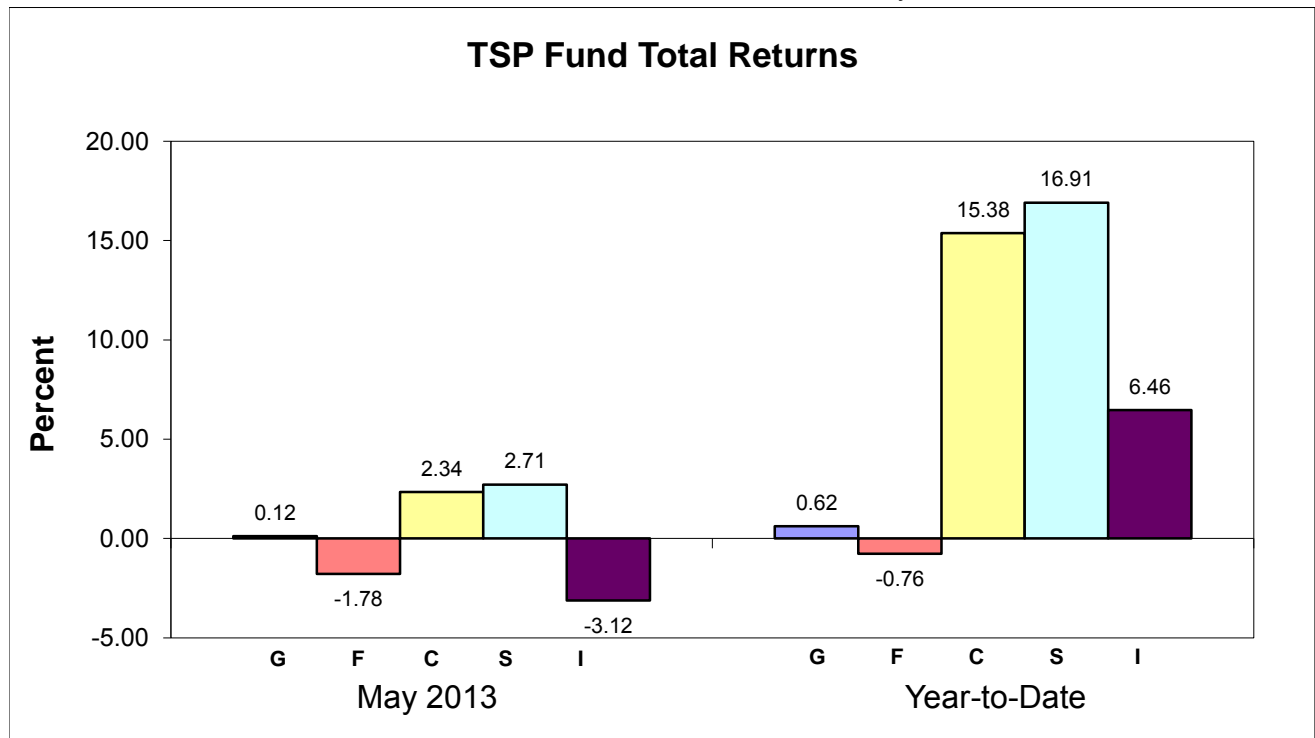
The BlackRock U.S. Debt Index Fund E has outperformed by 15 basis points year to date, primarily due to a change in the pricing source for mortgage-backed securities that was implemented by BlackRock in January. The BlackRock EAFE Equity Index Fund E underperformed by 71 basis points in May and 150 basis points year to date, primarily as a result of fair valuations on May 31, 2013 and December 31, 2012.

Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
May 2013	696,710,063	249,001	3.6
Year-to-Date	5,221,030,580	1,367,394	2.6
<u>C Fund</u>			
May 2013	949,798,979	117,646	1.2
Year-to-Date	6,491,150,111	611,440	0.9
<u>S Fund</u>			
May 2013	1,013,830,527	10,248	0.1
Year-to-Date	6,623,451,541	(477,702)	-0.7
<u>I Fund</u>			
May 2013	1,022,112,799	(2,114,284)	-20.7
Year-to-Date	4,560,738,167	(3,140,871)	-6.9

Performance of TSP Funds

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

May 2013

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-1.78	-1.78	0.00	-1.78
Large Cap	2.34	2.34	0.00	2.34
Small Cap	2.71	2.71	0.00	2.67
International	-3.12	-3.12	0.00	-2.41

2013

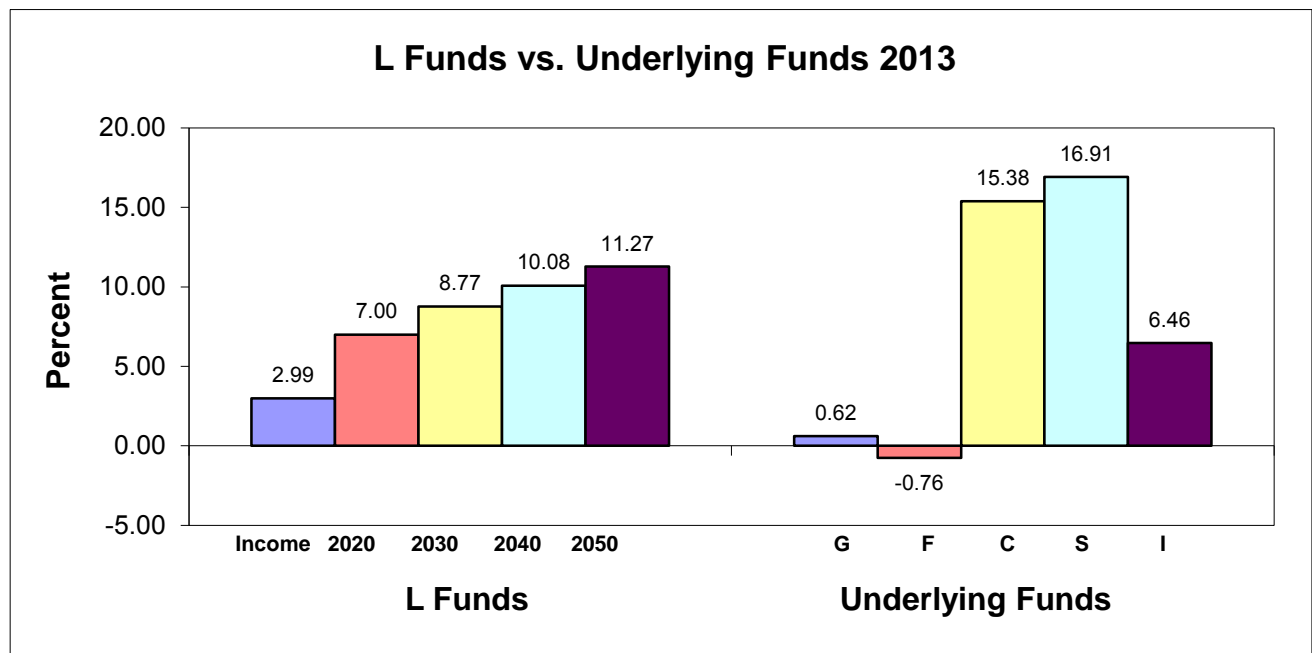
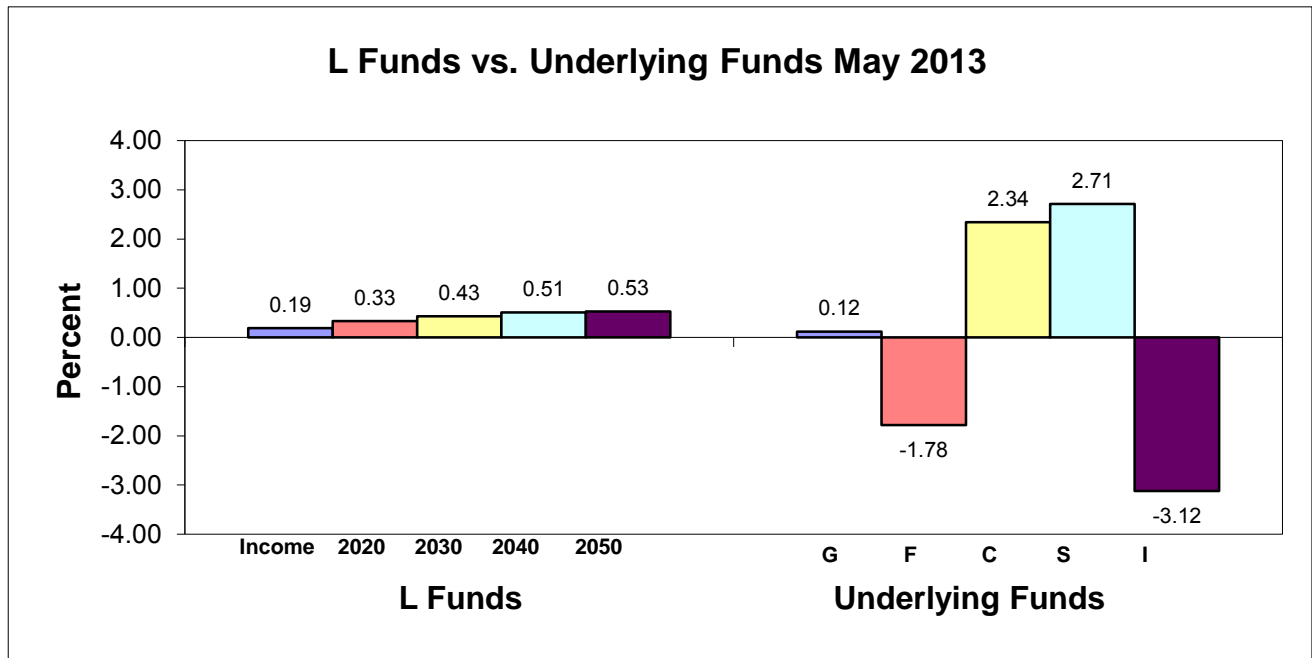
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.76	-0.76	0.00	-0.91
Large Cap	15.38	15.39	-0.01	15.37
Small Cap	16.91	16.88	0.03	16.82
International	6.46	6.44	0.02	7.94

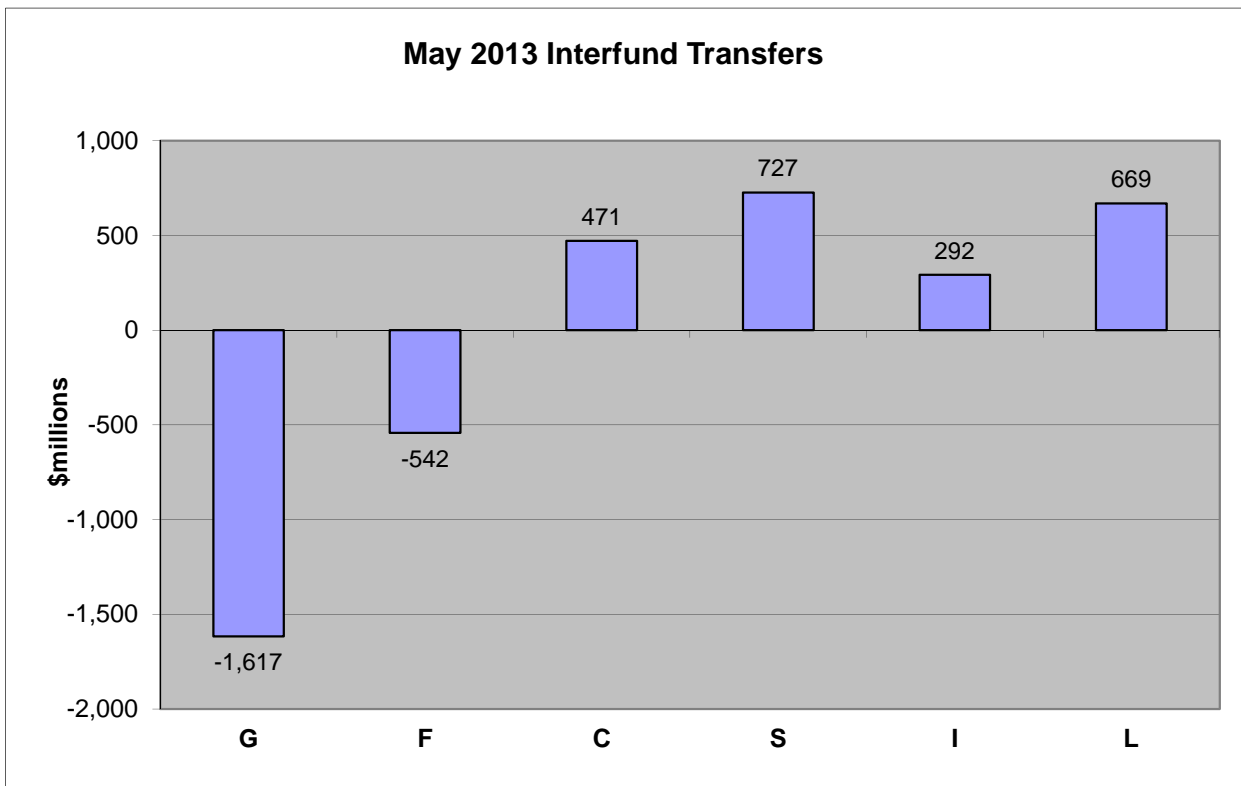
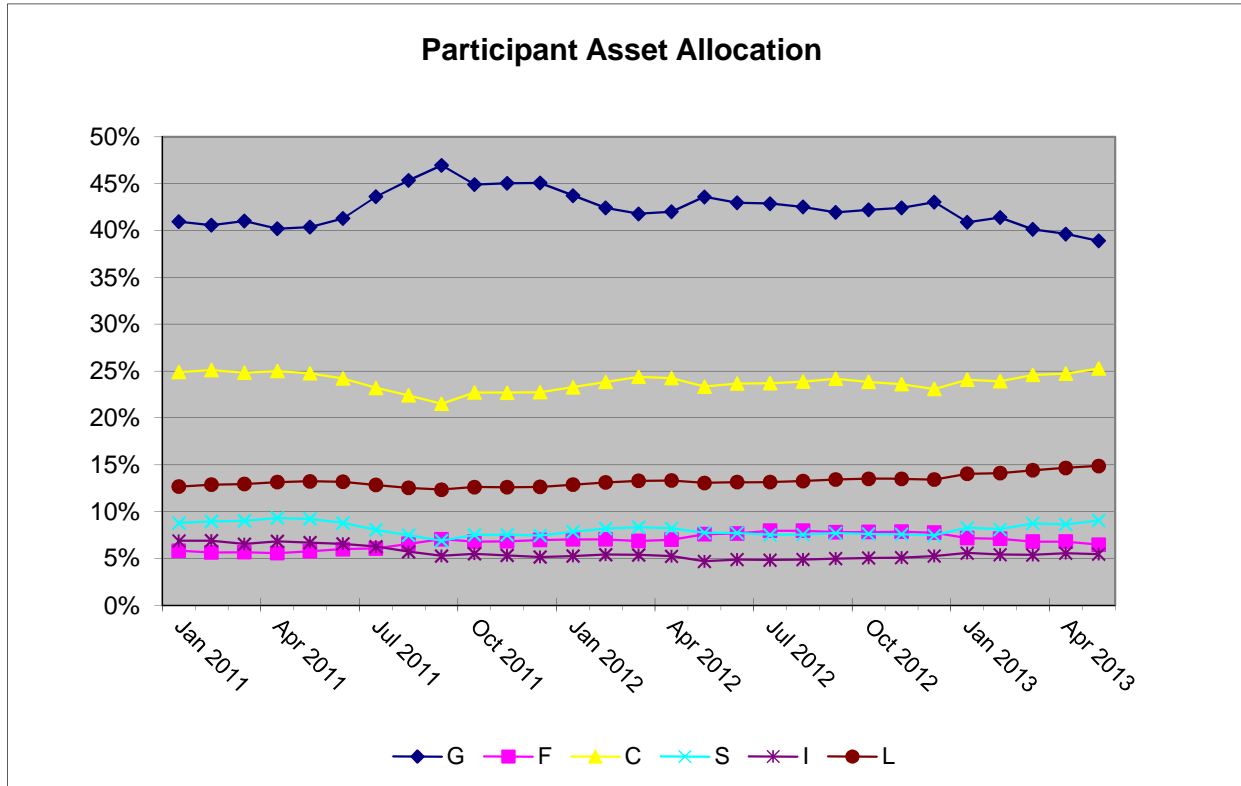
The TSP Funds closely tracked the BTC Funds for the month and year-to-date.

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.

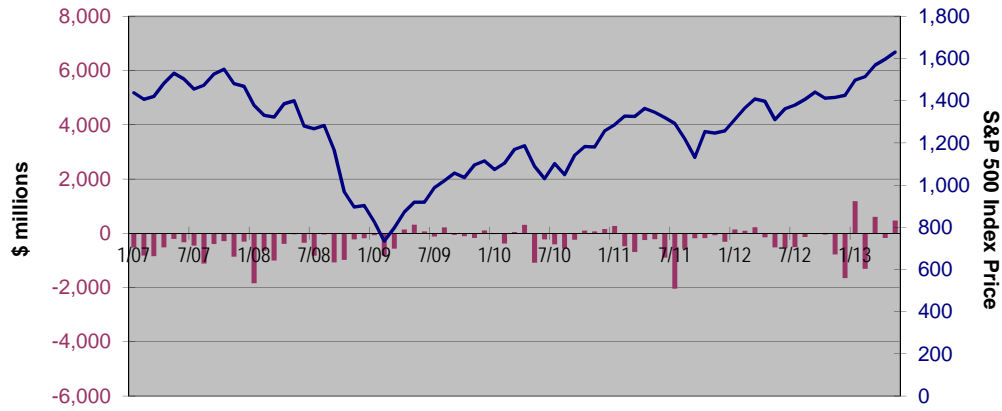


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY May 2013

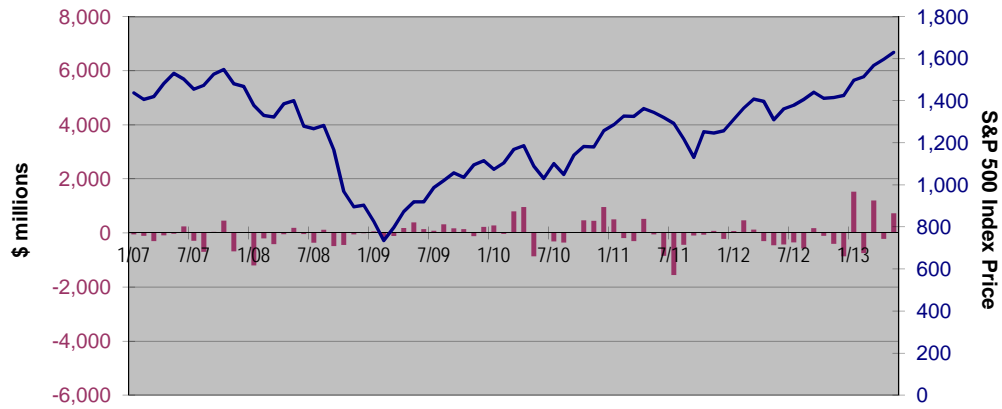


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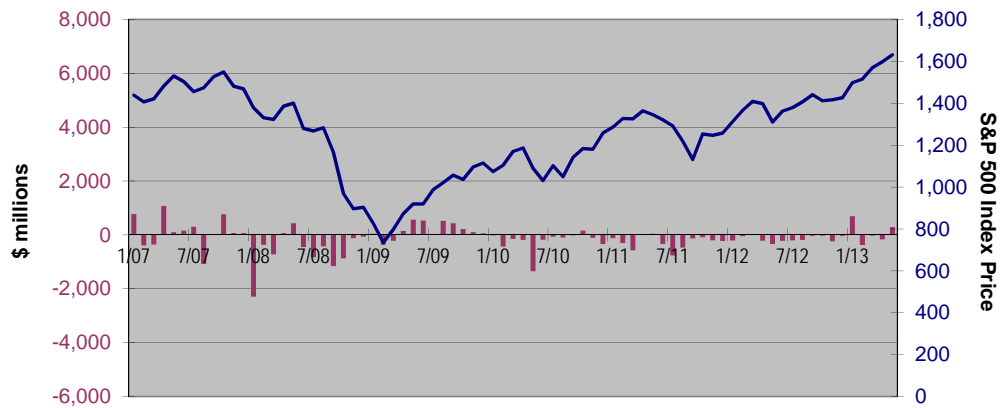
Monthly Interfund Transfers C Fund



Monthly Interfund Transfers S Fund



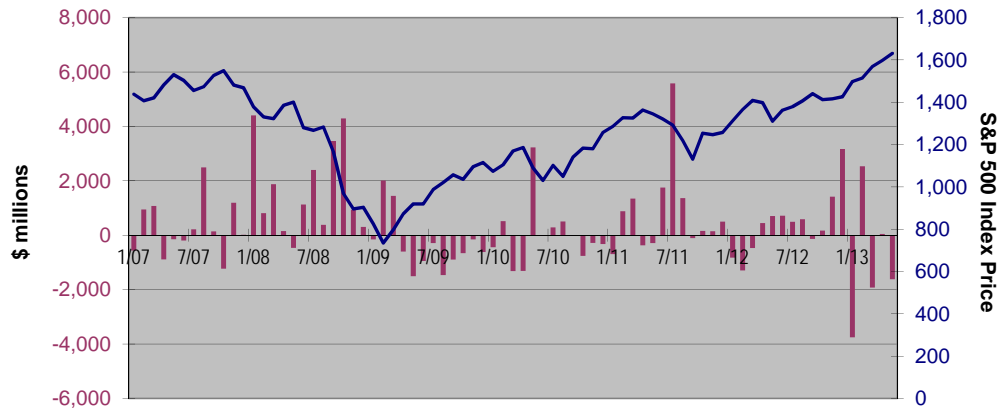
Monthly Interfund Transfers I Fund



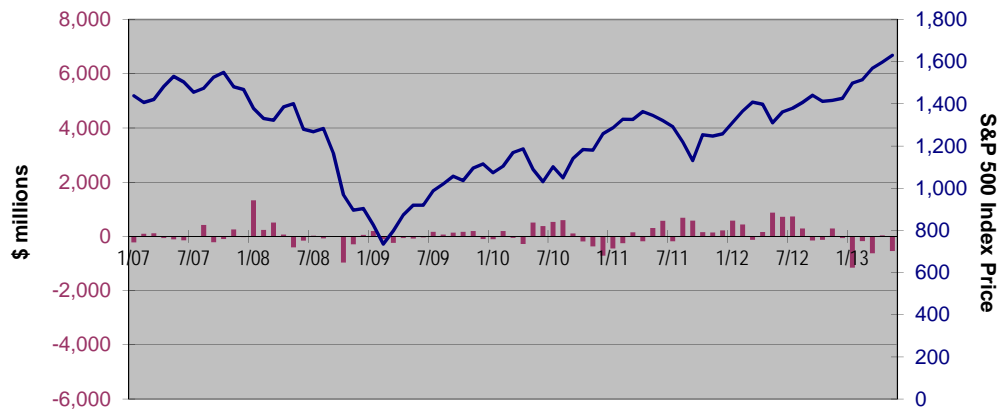
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

May 2013

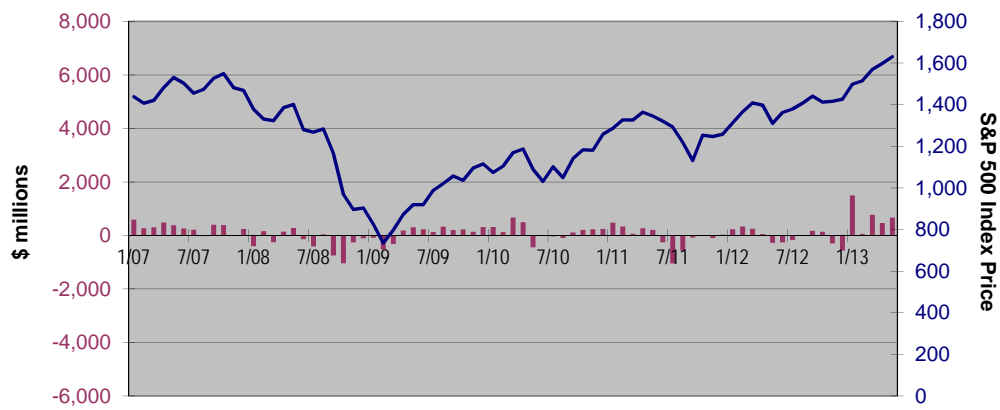
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

May 2013

