



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

July 8, 2011

MEMORANDUM FOR BOARD MEMBERS SAUL, SANCHEZ, DUFFY,
KENNEDY, AND BILYEU

FROM: GREGORY T. LONG
EXECUTIVE DIRECTOR

SUBJECT: June 2011 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 June 2011, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR - BlackRock Funds (BTC)

June Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.30	-0.29	-0.01
Large Cap	-1.67	-1.67	0.00
Small Mid Cap	-2.36	-2.33	-0.03
International	-1.17	-1.25	0.08

2011 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	2.75	2.72	0.03
Large Cap	6.02	6.02	0.00
Small Mid Cap	7.16	7.16	0.00
International	5.33	4.98	0.35

The **BlackRock EAFE Equity Index Fund E** outperformed by 8 basis points in June, and has outperformed by 35 basis points year to date primarily as a result of the tax effect.

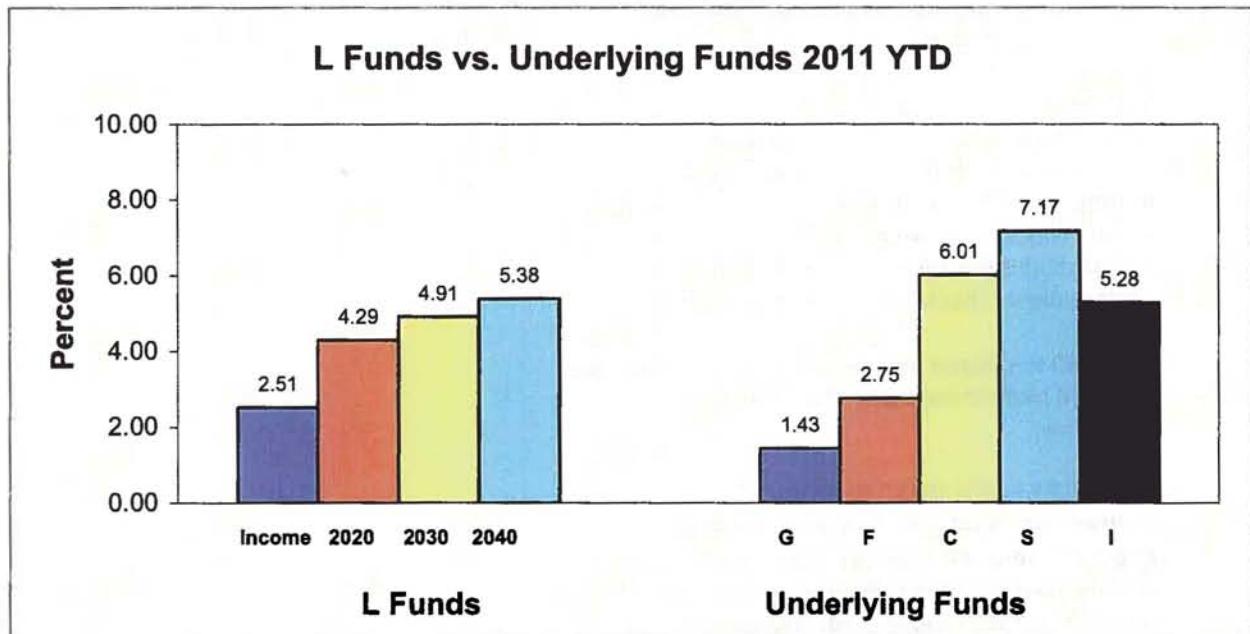
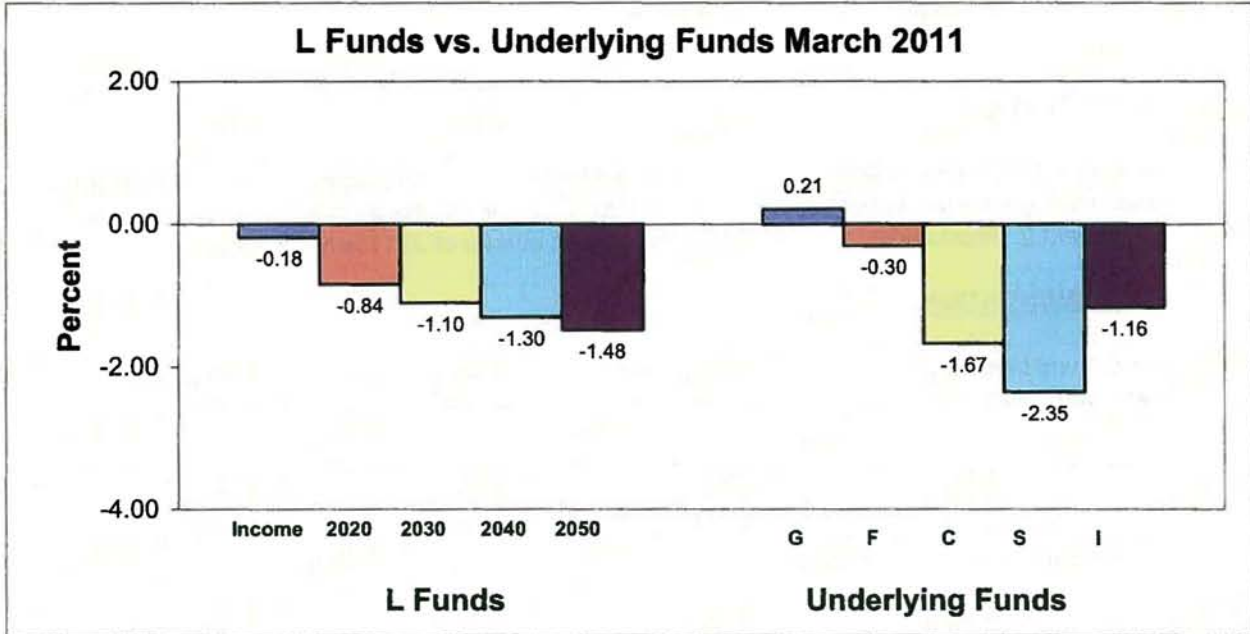
G Fund

The following table compares the G Fund rate to be paid in the month noted to the 3 month Treasury bill, the 10 year Treasury note and the 30 year Treasury bond at the time the rate was set.

	<u>G Fund</u>	<u>3-month T-bill</u>	<u>10 year T-note</u>	<u>30 year T-bond</u>
<u>2011</u>				
July	2.63%	0.02%	3.16%	4.37%
June	2.50	0.06	3.06	4.23
May	2.88	0.05	3.29	4.40
April	3.00	0.09	3.47	4.51
March	3.00	0.14	3.43	4.50
February	2.88	0.15	3.37	4.57
January	2.88	0.13	3.30	4.34
<u>2010</u>				
December	2.38	0.17	2.60	4.11
November	2.13	0.12	2.60	3.98
October	2.13	0.16	2.51	3.69
September	2.13	0.14	2.47	3.52
August	2.50	0.15	2.91	3.99
July	2.63	0.17	2.93	3.89
June	2.88	0.16	3.29	4.21
May	3.25	0.16	3.66	4.52
April	3.38	0.14	3.83	4.71
March	3.13	0.13	3.61	4.56
February	3.13	0.08	3.59	4.49
January	3.50	0.08	3.84	4.64
<u>2009</u>				
December	2.88	0.05	3.20	4.19
November	3.13	0.06	3.39	4.23
October	3.00	0.08	3.31	4.05
September	3.25	0.13	3.40	4.18
August	3.25	0.18	3.48	4.30
July	3.25	0.19	3.54	4.33
June	3.25	0.14	3.46	4.34
May	2.88	0.15	3.12	4.03
April	2.50	0.20	2.67	3.54
March	2.88	0.27	3.02	3.71
February	2.75	0.13	2.84	3.60
January	2.13	0.02	2.21	2.68

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.



From Inception January 31, 2011
2050 3.76%

G	F	C	S	I
1.18%	2.62%	3.56%	5.87%	2.80%

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
Contributions and Interfund Transfers

	Contributions							Interfund Transfer Activity						
	G Fund (%)	F Fund (%)	C Fund (%)	S Fund (%)	I Fund (%)	L Funds (%)	Total (\$M)	G Fund (\$M)	F Fund (\$M)	C Fund (\$M)	S Fund (\$M)	I Fund (\$M)	L Funds (\$M)	# of IFTs
2005	37%	6%	38%	9%	7%	2%	17,772	(1,169)	(1,159)	(7,602)	516	1,975	7,439	1,739,695
2006	34%	5%	32%	10%	10%	9%	19,531	(700)	(936)	(7,149)	(774)	3,704	5,855	2,112,668
2007	32%	4%	29%	9%	12%	13%	20,786	3,073	33	(6,652)	(1,505)	1,520	3,531	2,379,207
2008	37%	5%	25%	8%	11%	14%	21,772	19,691	349	(7,573)	(2,952)	(6,791)	(2,724)	1,637,711
2009	45%	5%	21%	7%	8%	14%	22,668	(3,818)	330	(1,051)	1,294	2,088	1,157	1,237,637
1/31/2010	43%	5%	21%	7%	9%	15%	1,818	(439)	(104)	(31)	276	(19)	317	106,109
2/28/2010	42%	5%	21%	7%	9%	15%	1,862	518	200	(379)	(34)	(431)	126	93,229
3/31/2010	42%	5%	21%	8%	9%	15%	1,900	(1,317)	(56)	51	799	(146)	669	120,856
4/30/2010	42%	5%	21%	8%	9%	16%	2,366	(1,310)	(277)	316	958	(186)	499	125,817
5/31/2010	41%	5%	21%	8%	9%	16%	1,977	3,228	512	(1,085)	(865)	(1,345)	(445)	165,061
6/30/2010	41%	5%	21%	8%	9%	16%	2,175	(15)	382	(224)	12	(175)	20	90,660
7/31/2010	42%	5%	20%	8%	8%	16%	1,897	291	532	(408)	(312)	(65)	(38)	97,944
8/31/2010	42%	5%	20%	8%	8%	16%	1,895	506	601	(566)	(354)	(92)	(95)	96,986
9/30/2010	42%	5%	20%	8%	8%	16%	2,159	(5)	112	(234)	34	(20)	113	87,245
10/31/2010	42%	5%	20%	8%	8%	16%	2,119	(757)	(187)	102	470	163	209	105,172
11/30/2010	41%	5%	20%	8%	9%	16%	2,249	(281)	(370)	73	452	(108)	234	113,425
12/31/2010	42%	5%	19%	8%	8%	17%	2,010	(322)	(710)	162	961	(338)	247	224,749
2010	42%	5%	20%	8%	9%	16%	24,426	97	635	(2,223)	2,397	(2,762)	1,856	1,427,253
1/31/2011	41%	5%	21%	9%	8%	16%	1,813	(694)	(443)	271	501	(115)	480	142,594
2/28/2011	41%	5%	20%	9%	8%	17%	1,982	883	(247)	(479)	(189)	(302)	334	153,601
3/31/2011	41%	5%	20%	9%	8%	17%	2,339	1,345	151	(691)	(300)	(570)	65	173,787
4/30/2011	41%	5%	20%	9%	8%	17%	2,192	(371)	(181)	(248)	522	10	268	122,475
5/31/2011	40%	5%	20%	9%	8%	18%	2,142	(290)	310	(214)	(55)	42	207	99,151
6/30/2011	40%	5%	20%	9%	8%	18%	2,235	1,756	574	(897)	(844)	(332)	(257)	111,724

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

Allocation of Account Balances

	Number of TSP Participants with Entire Account Balance Invested in One Lifecycle Fund						Allocation of Account Balances (G/F/C/S/I/L Fund) (%)		
	FERS		CSRS		Uniformed Services		FERS	CSRS	Uniformed Services
	#	%	#	%	#	%	(G/F/C/S/I/L)	(G/F/C/S/I/L)	(G/F/C/S/I/L)
2005	55,386	2%	17,220	2%	14,404	2%	35/6/39/8/7/5	40/6/38/6/6/4	44/5/21/15/10/5
2006	94,323	4%	25,860	4%	30,921	4%	32/5/36/8/10/9	38/5/35/6/8/8	38/4/20/14/13/11
2007	116,157	5%	28,753	5%	40,046	5%	32/5/33/7/12/11	39/5/32/6/9/9	36/4/18/13/15/14
2008	108,130	4%	21,470	4%	42,267	5%	50/7/22/5/6/10	58/6/21/3/4/8	48/5/14/9/10/14
2009	116,137	4%	20,090	4%	43,720	4%	44/6/25/6/8/11	53/6/23/4/6/8	42/4/15/11/12/16
1/31/2010	118,281	4%	20,351	4%	44,205	4%	45/6/24/6/8/11	52/6/23/5/6/8	43/4/15/11/11/16
2/28/2010	119,943	4%	20,445	4%	44,599	4%	44/6/25/7/7/11	52/6/23/5/5/9	43/4/15/11/11/16
3/31/2010	123,912	5%	21,145	4%	45,460	4%	42/6/25/7/8/12	49/6/24/6/6/9	41/4/15/12/11/17
4/30/2010	126,152	5%	21,536	4%	45,889	4%	41/6/26/8/7/12	50/6/24/6/5/9	41/4/15/12/11/17
5/31/2010	125,730	5%	21,106	4%	46,075	4%	45/6/24/7/6/12	52/6/23/6/4/9	42/5/14/12/10/17
6/30/2010	126,459	5%	21,035	4%	46,356	4%	45/7/23/7/6/12	53/7/22/5/4/9	43/5/14/11/10/17
7/31/2010	127,315	5%	20,945	4%	46,633	4%	43/7/24/7/7/12	51/7/23/5/5/9	41/5/14/12/11/17
8/31/2010	127,879	5%	20,808	4%	46,882	4%	44/7/23/7/7/12	52/7/22/5/5/9	42/5/14/11/11/17
9/30/2010	128,918	5%	20,780	4%	47,045	4%	43/7/24/7/7/12	51/7/23/5/5/9	41/5/14/12/11/17
10/31/2010	130,951	5%	20,806	4%	47,432	4%	42/7/24/8/7/12	50/7/23/6/5/9	40/5/14/12/11/18
11/30/2010	132,562	5%	20,764	4%	47,864	4%	42/7/24/8/7/12	50/7/23/6/5/9	40/5/15/12/11/17
12/31/2010	134,674	5%	21,025	4%	47,928	4%	40/6/25/9/7/13	49/6/24/7/5/9	39/4/15/13/11/18
1/31/2011	137,604	5%	21,090	4%	49,088	5%	39/6/26/9/7/13	48/6/25/7/5/9	39/4/15/13/11/18
2/28/2011	139,504	5%	21,218	4%	49,706	5%	39/6/26/9/7/13	48/6/25/7/5/9	38/4/15/13/11/19
3/31/2011	140,389	5%	21,134	4%	50,184	5%	40/6/25/9/7/13	47/6/25/7/5/10	38/4/15/13/11/19
4/30/2011	141,500	5%	21,207	4%	50,444	5%	39/6/26/9/7/13	47/6/25/7/5/10	37/4/15/14/11/19
5/31/2011	142,683	5%	21,277	4%	50,875	5%	39/6/25/9/7/14	47/6/25/7/5/10	38/4/15/13/11/19
6/30/2011	142,559	5%	21,058	4%	51,056	5%	40/6/25/9/7/13	48/6/24/7/5/10	38/4/15/13/11/19



An MSCI Brand

Attachment 2

April 12, 2011

Mr. Chad Spitzer
Director
PMG – Corporate Governance
BlackRock
400 Howard Street
San Francisco, CA 94105

Dear Chad,

Enclosed are the results of our review of proxy votes by BlackRock for the 1st quarter of 2011.
Our review found that there were no exceptions to policy over this period.

Best regards,

A handwritten signature in blue ink, appearing to read 'SEF', is positioned above the printed name of Steven E. Friedman.

Steven E. Friedman
Chief Legal Officer

sef/awk/encl.

cc: Richard Reynics, Ryan Myers, Vincent Lam, Cassie Traeger, Adrian Kosinda

- There were 6 votes cast on executive stock option plans; all votes were cast in favor of the plans.
- There were 2 votes cast on a proposal to increase authorized common stock; the votes were cast in favor of the increases.
- There was 1 vote cast on a change in state of incorporation; the vote was cast against the transaction, as reincorporation for the particular company was not in shareholders' best interests.
- There were 2 votes cast on shareholder proposal which included:
 - a) 1 shareholder proposal to require majority vote on the election of directors; the vote was cast against the proposal.
 - b) 1 shareholder proposal to submit severance agreement to shareholder vote; the vote was cast against the proposal.

There were no exceptions to policy this period.