



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

June 4, 2014

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY
CHIEF INVESTMENT OFFICER

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

SUBJECT: May 2014 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 2014, 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	1.21	1.14	0.07
Large Cap	2.36	2.35	0.01
Small Mid Cap	1.51	1.51	0.00
International	1.72	1.62	0.10

2014 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	4.23	3.87	0.36
Large Cap	5.01	4.97	0.04
Small Mid Cap	1.67	1.69	-0.02
International	4.05	3.78	0.27

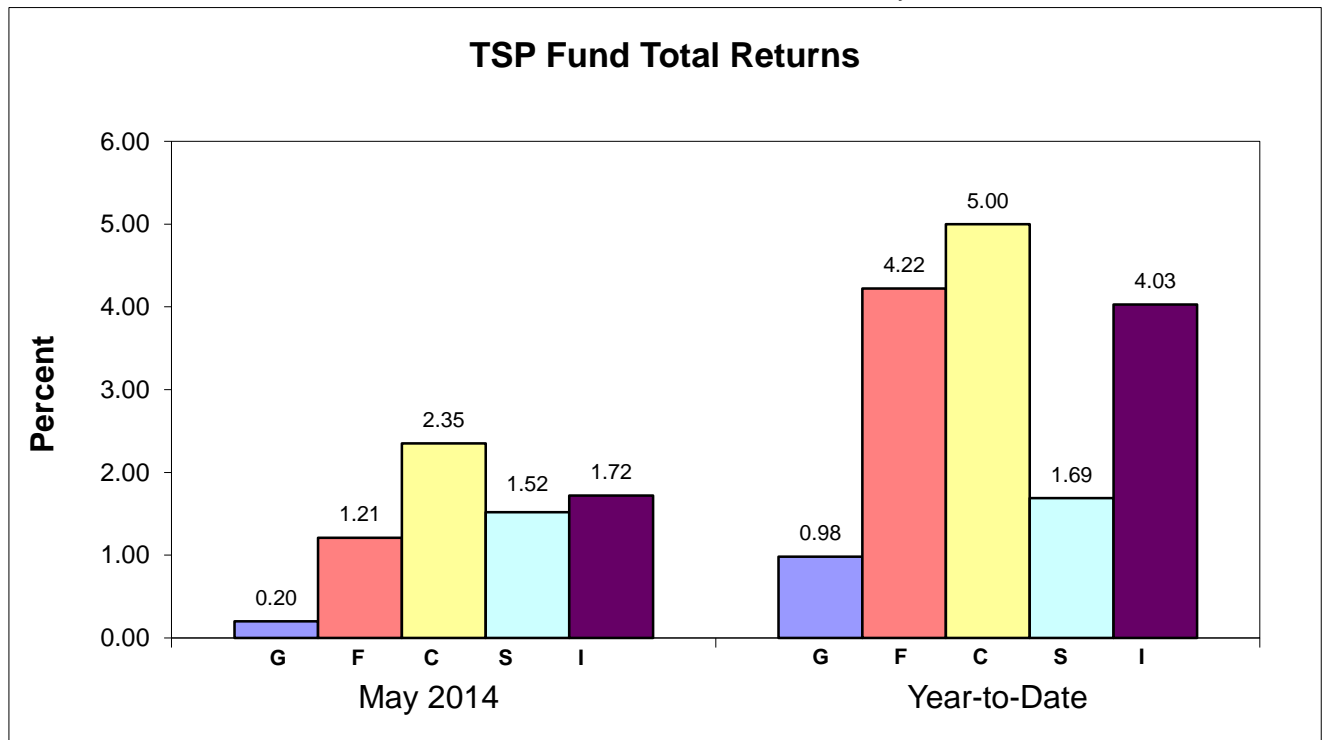
The International Fund outperformed the index by 10 basis points during the month and by 27 basis points for the year as a result of the tax effect. The Fixed Income Fund outperformed the index by 7 basis points for the month and 36 basis points for the year to date, primarily because of securities lending and pricing differences.

Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
May 2014	523,107,093	66,607	1.3
Year-to-Date	4,640,347,590	(16,640)	0.0
<u>C Fund</u>			
May 2014	1,113,933,484	124,125	1.1
Year-to-Date	6,006,494,515	(344,633)	-0.6
<u>S Fund</u>			
May 2014	1,492,642,426	(120,054)	-0.8
Year-to-Date	7,427,991,795	(56,420)	-0.1
<u>I Fund</u>			
May 2014	877,663,379	330,486	3.8
Year-to-Date	4,124,831,975	410,344	1.0

Performance of TSP Funds

The chart below shows the G, F, C, S, and I Fund net rates of return for May 2014 and 2014.



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 2014

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	1.21	1.21	0.00	1.14
Large Cap	2.35	2.36	-0.01	2.35
Small Cap	1.52	1.51	0.01	1.51
International	1.72	1.72	0.00	1.62

2014

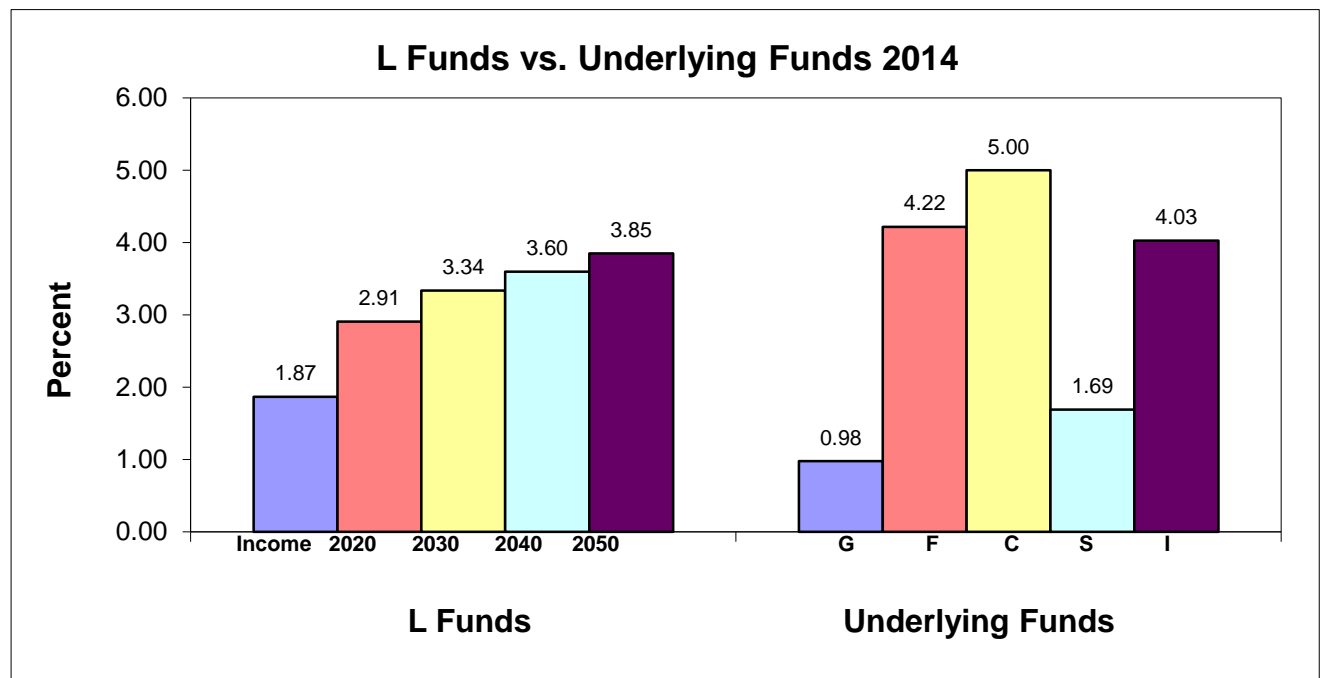
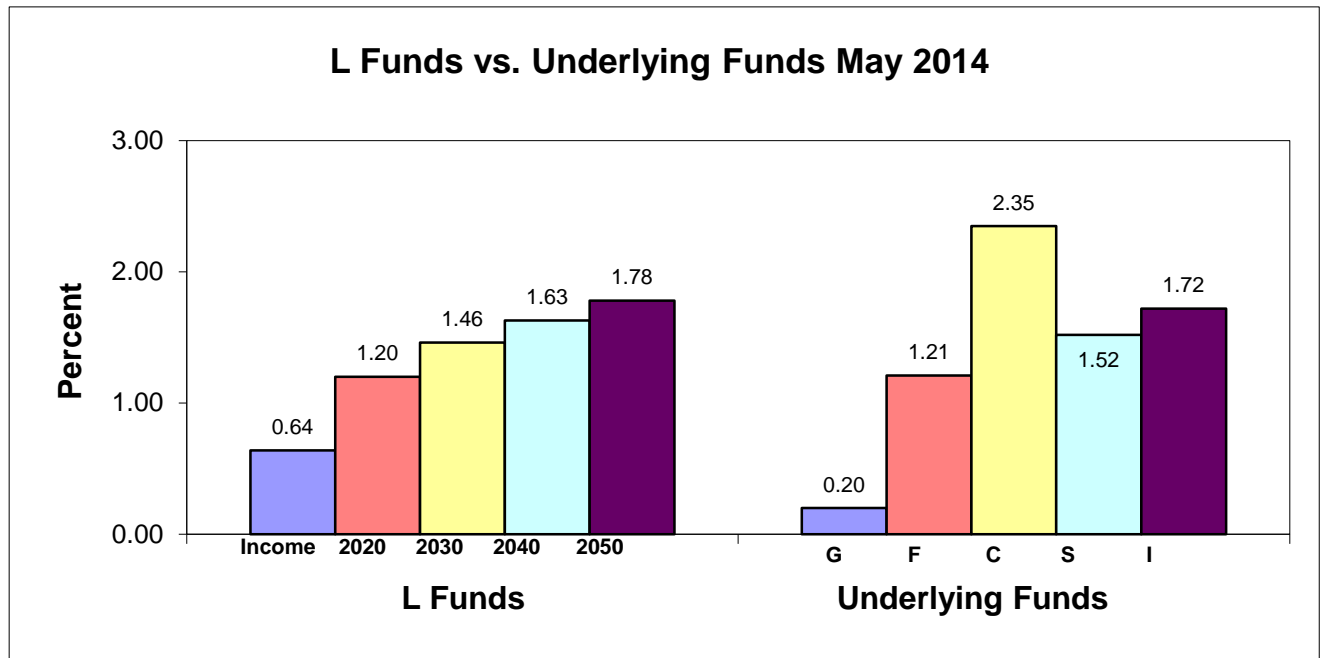
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	4.22	4.23	-0.01	3.87
Large Cap	5.00	5.01	-0.01	4.97
Small Cap	1.69	1.67	0.02	1.69
International	4.03	4.05	-0.02	3.78

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

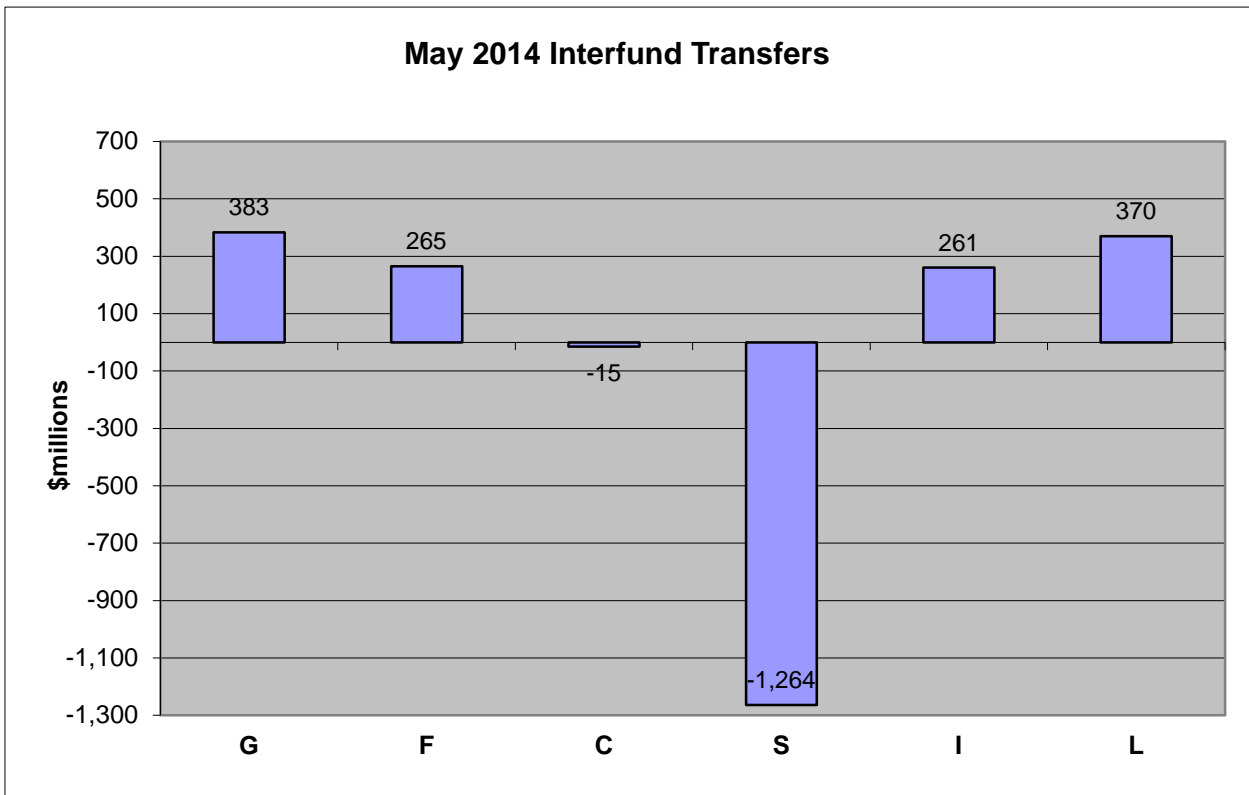
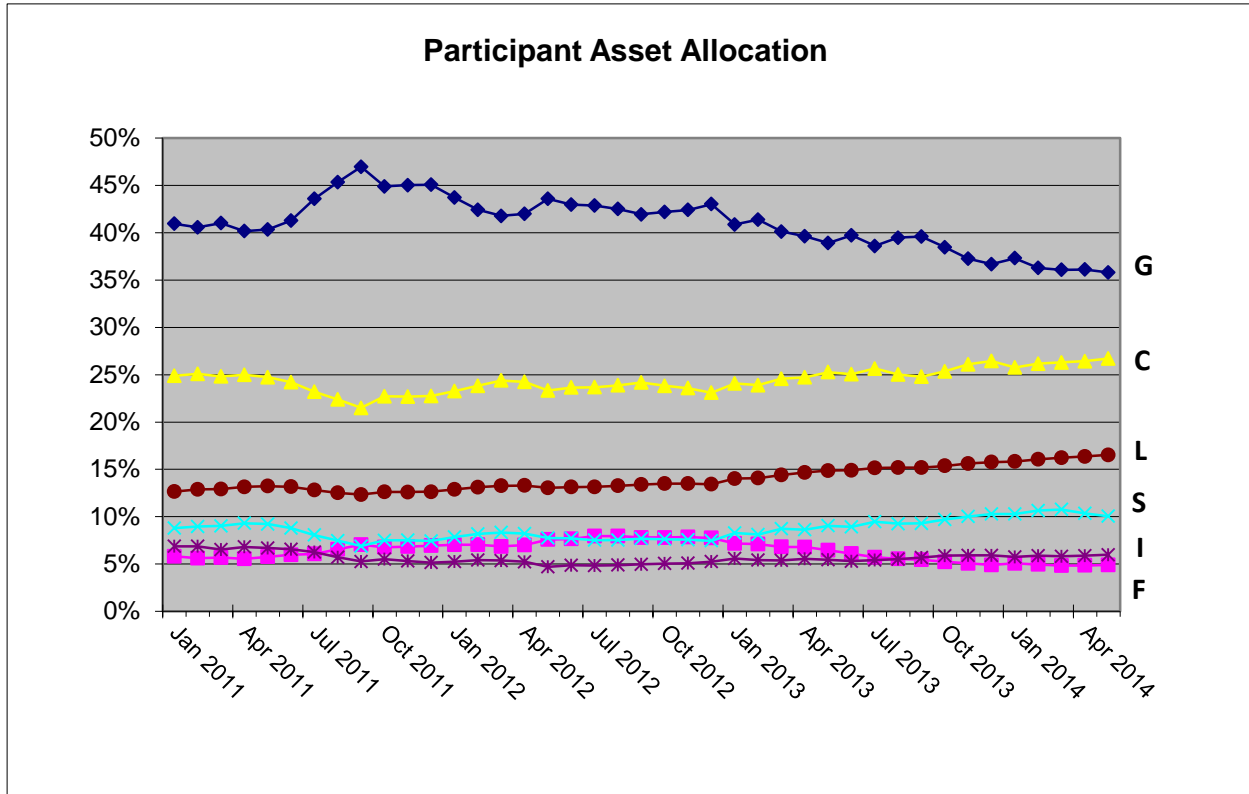
L Funds

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 2014

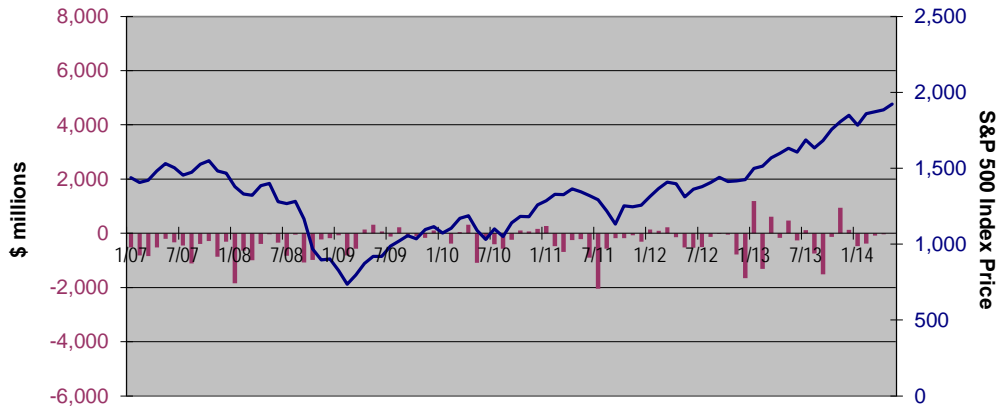
Attachment 1



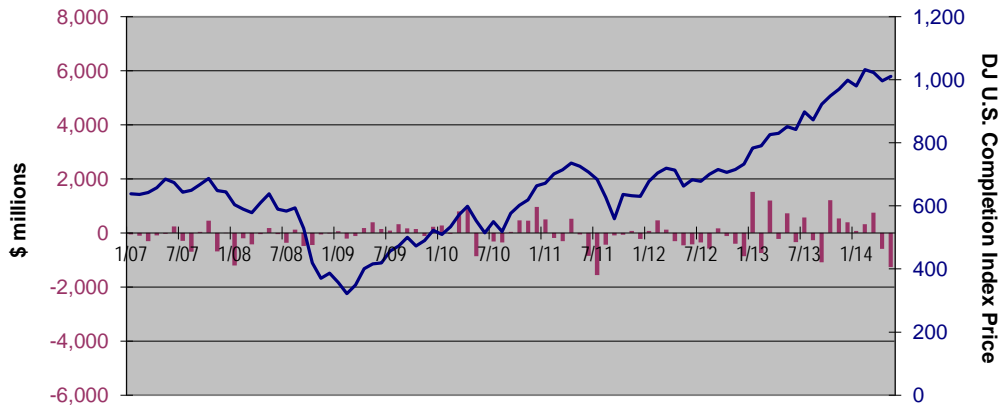
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May 2014

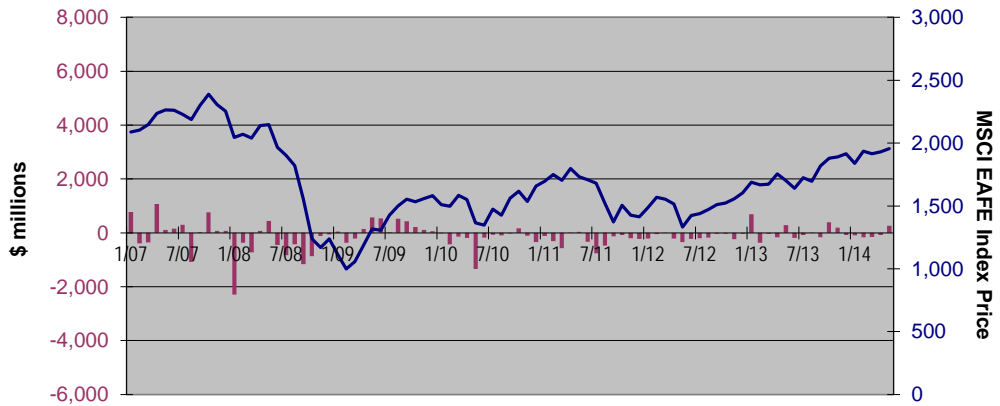
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



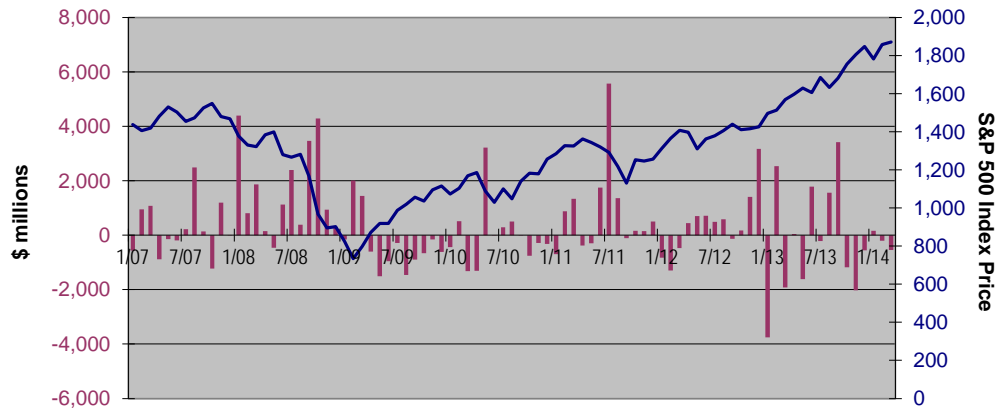
Monthly Interfund Transfers
I Fund



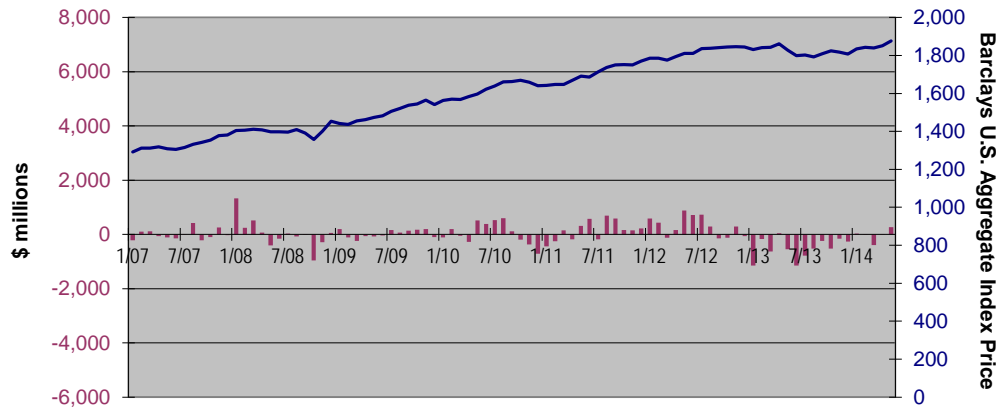
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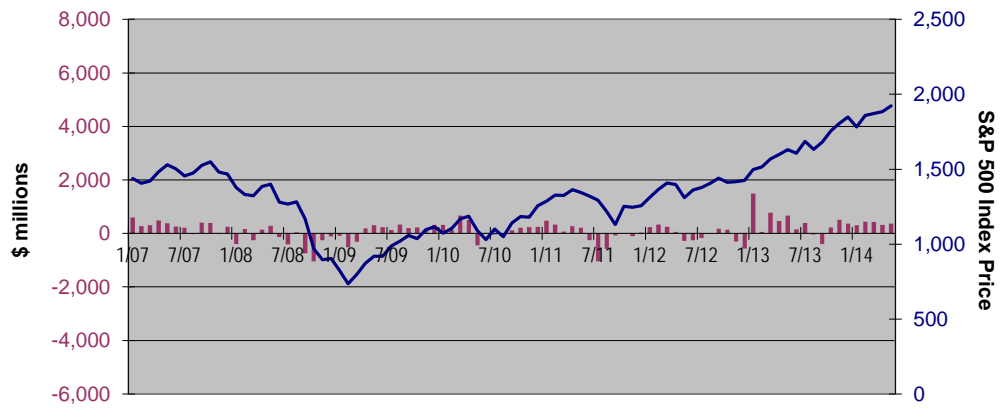
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

May 2014

