



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

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

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.56	-0.70	0.14
Large Cap	5.19	5.18	0.01
Small Mid Cap	6.94	6.97	-0.03
International	4.44	5.27	-0.83

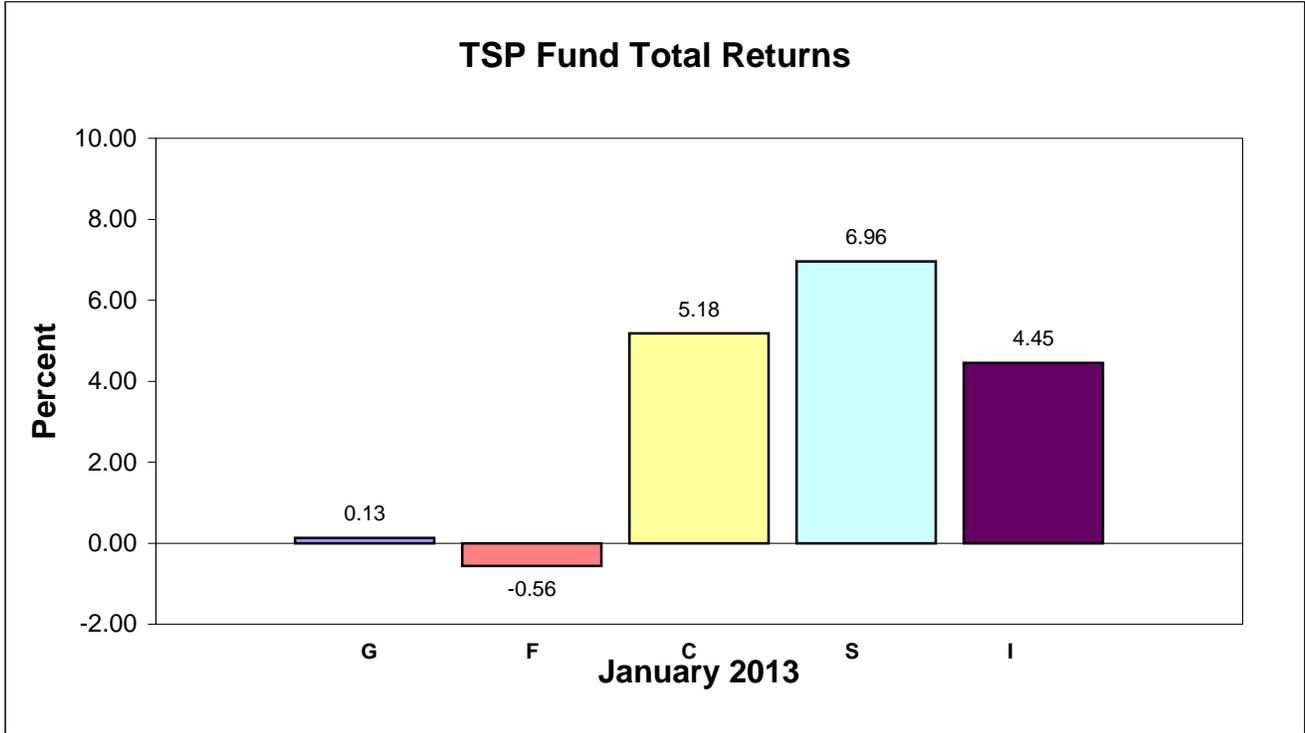
BlackRock's U.S. Debt Index Fund outperformed the index by 14 basis points, primarily due to a change in the pricing source for mortgage-backed securities that was implemented by BlackRock in January. The EAFE Equity Index Fund underperformed by 83 basis points in January, primarily as a result of fair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

Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
January 2013	1,128,965,866	20,497	0.2
<u>C Fund</u>			
January 2013	1,696,984,749	11,920	0.1
<u>S Fund</u>			
January 2013	1,735,380,023	(1,659,846)	-9.6
<u>I Fund</u>			
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.

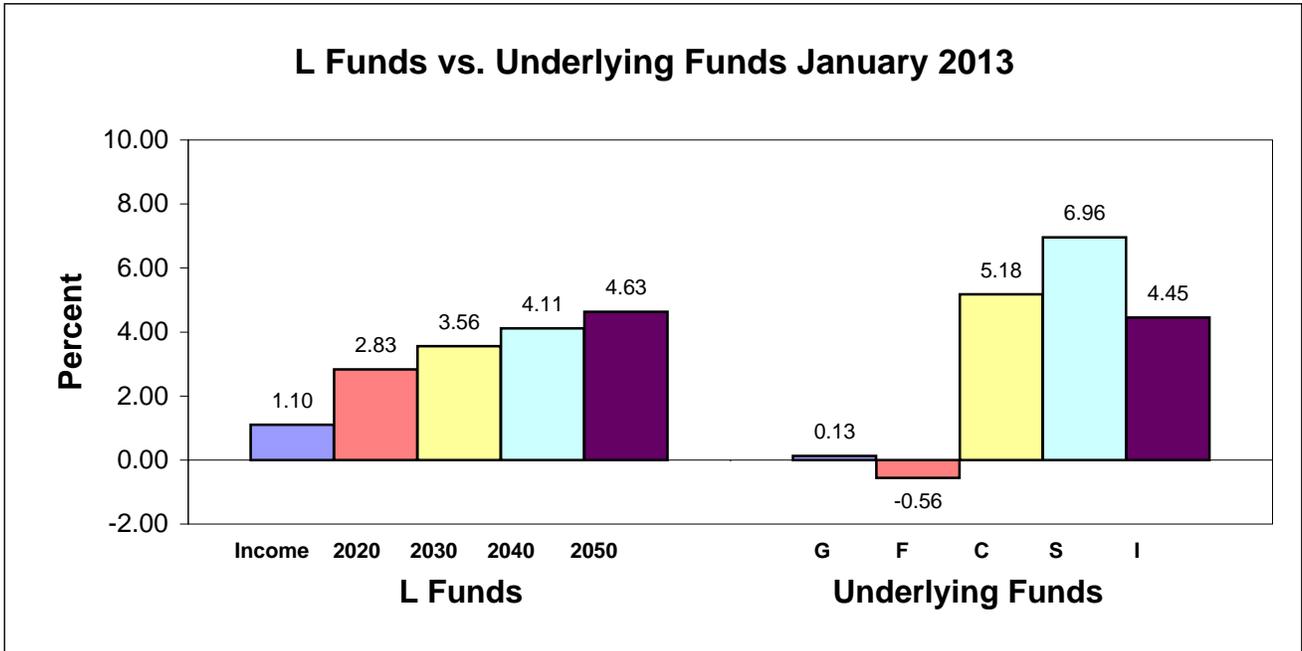
**January 2013
Total Return %
Fund**

<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.

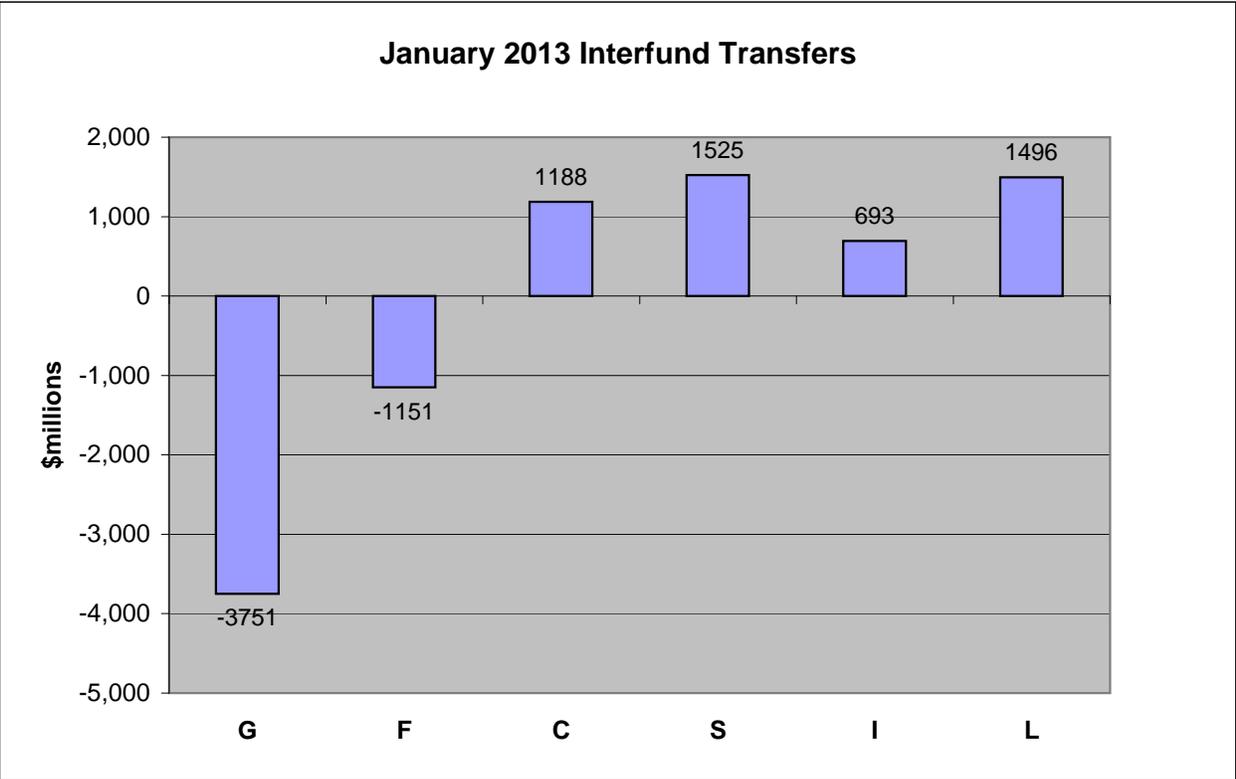
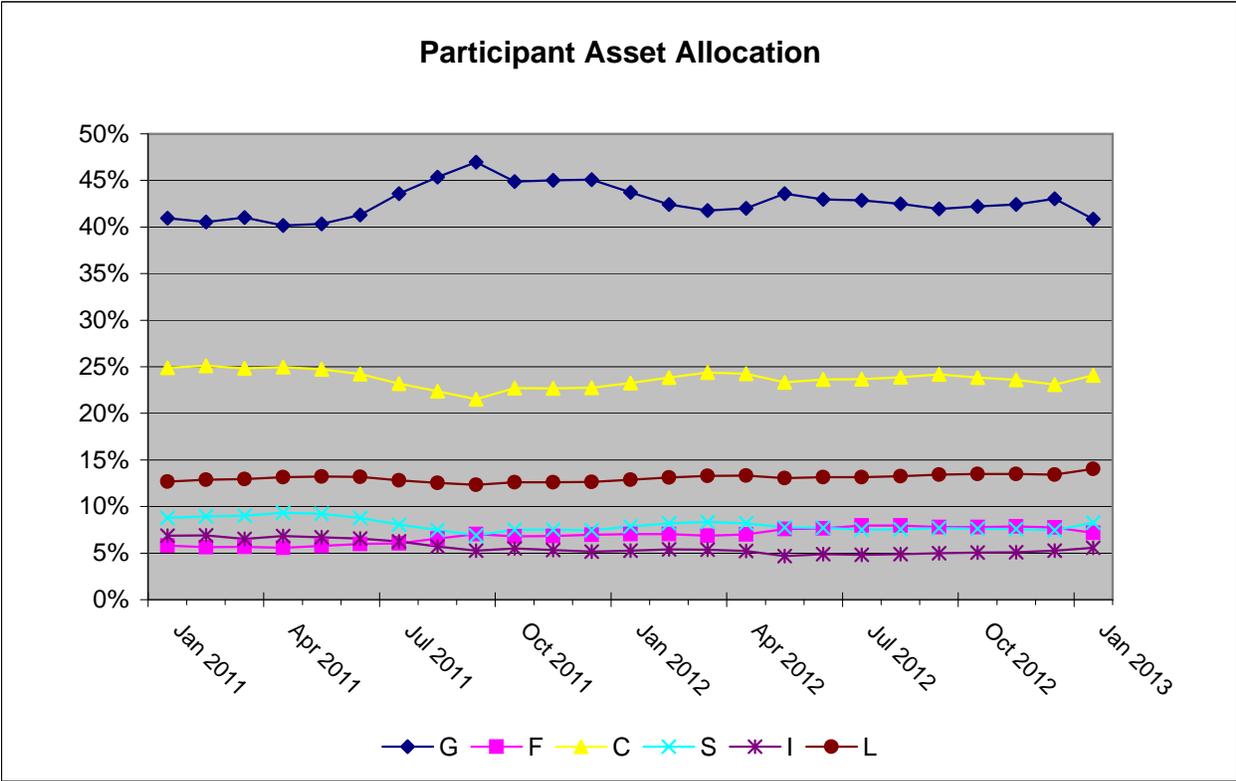


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

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

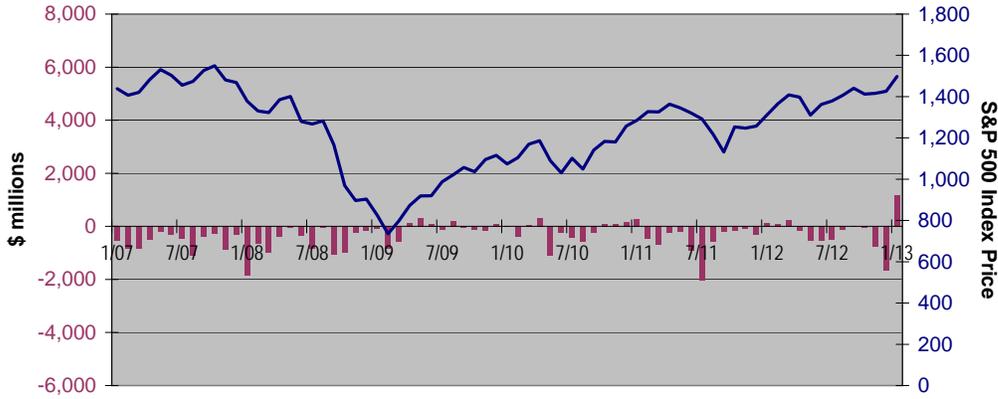
Attachment

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY January 2013

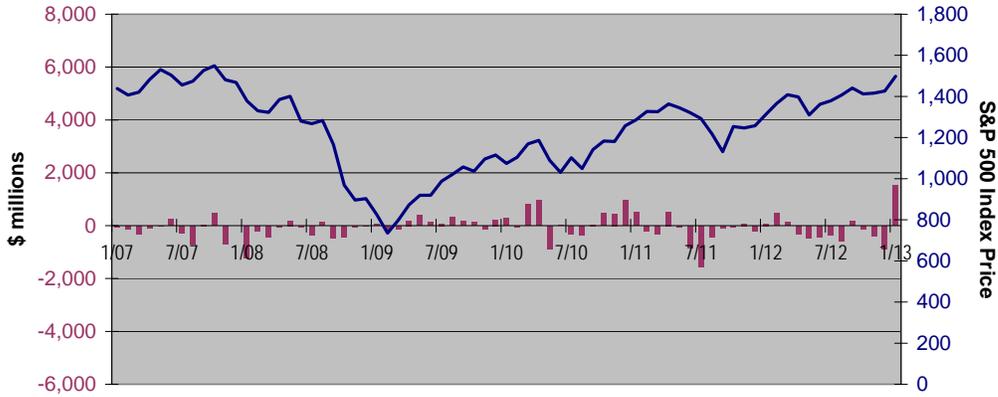


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
January 2013

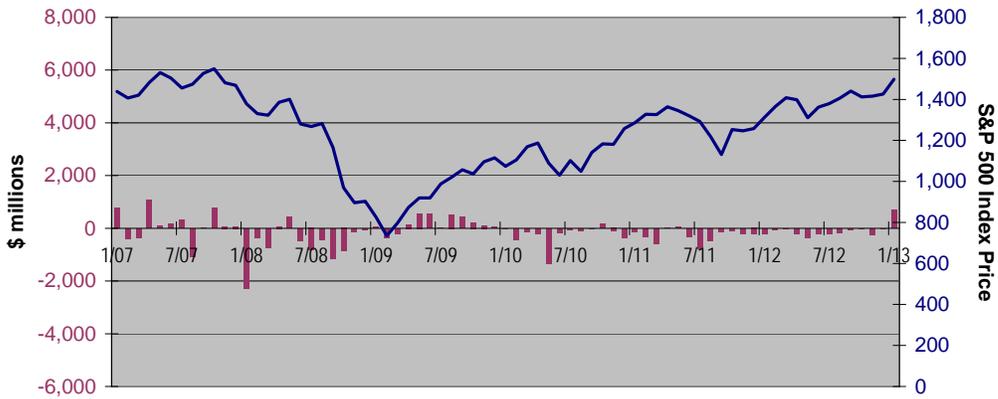
**Monthly Interfund Transfers
C Fund**



**Monthly Interfund Transfers
S Fund**

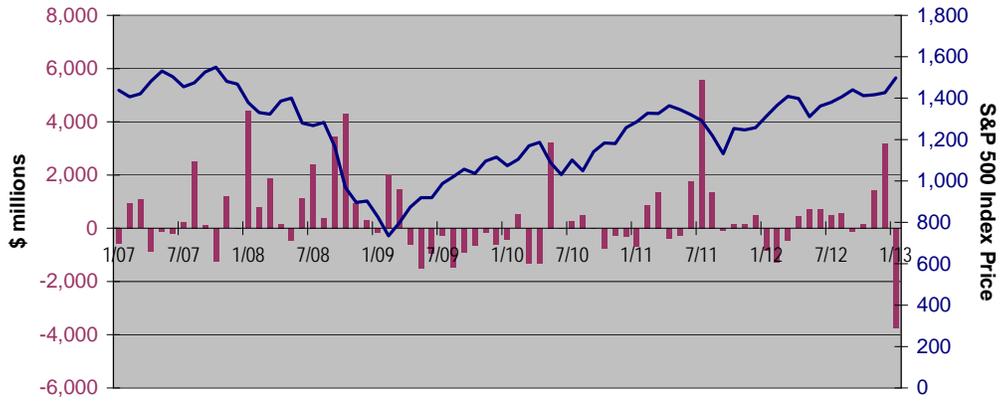


**Monthly Interfund Transfers
I Fund**

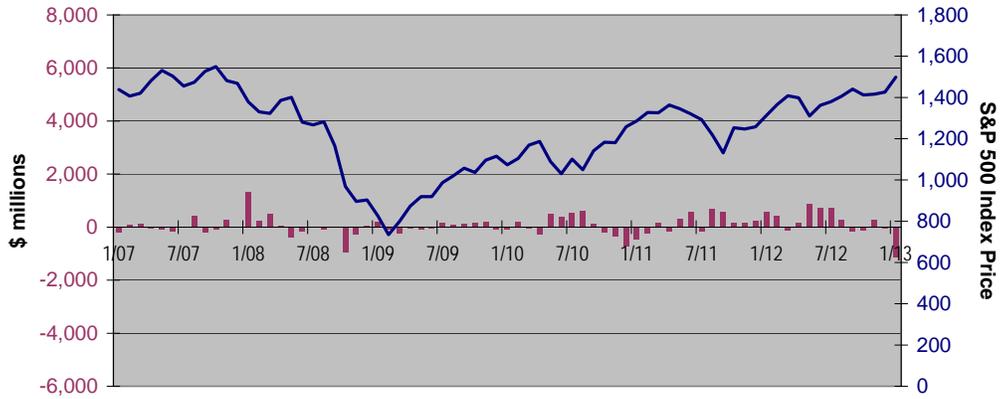


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January 2013

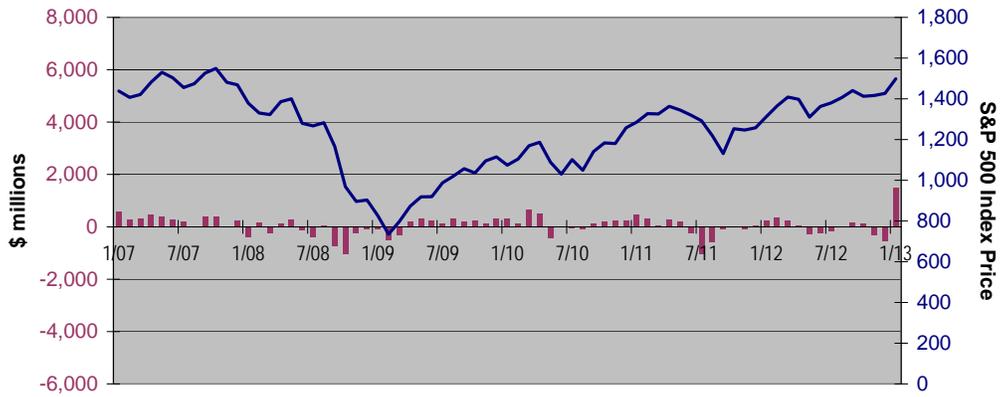
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY January 2013

