



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

December 3, 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: November 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 November 2014, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR - BlackRock Funds (BTC)

November Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	0.74	0.70	0.04
Large Cap	2.70	2.69	0.01
Small Mid Cap	1.33	1.33	0.00
International	0.51	1.36	-0.85

2014 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	6.54	5.86	0.68
Large Cap	14.09	13.98	0.11
Small Mid Cap	6.70	6.59	0.11
International	-1.15	-1.49	0.34

The International Fund underperformed the index by 85 basis points for the month due to a fair value pricing adjustment on October 31st and by 34 basis points for the year to date as a result of the tax effect. The Fixed Income Fund outperformed the index by 68 basis points for the year to date, primarily because of securities lending and pricing differences.

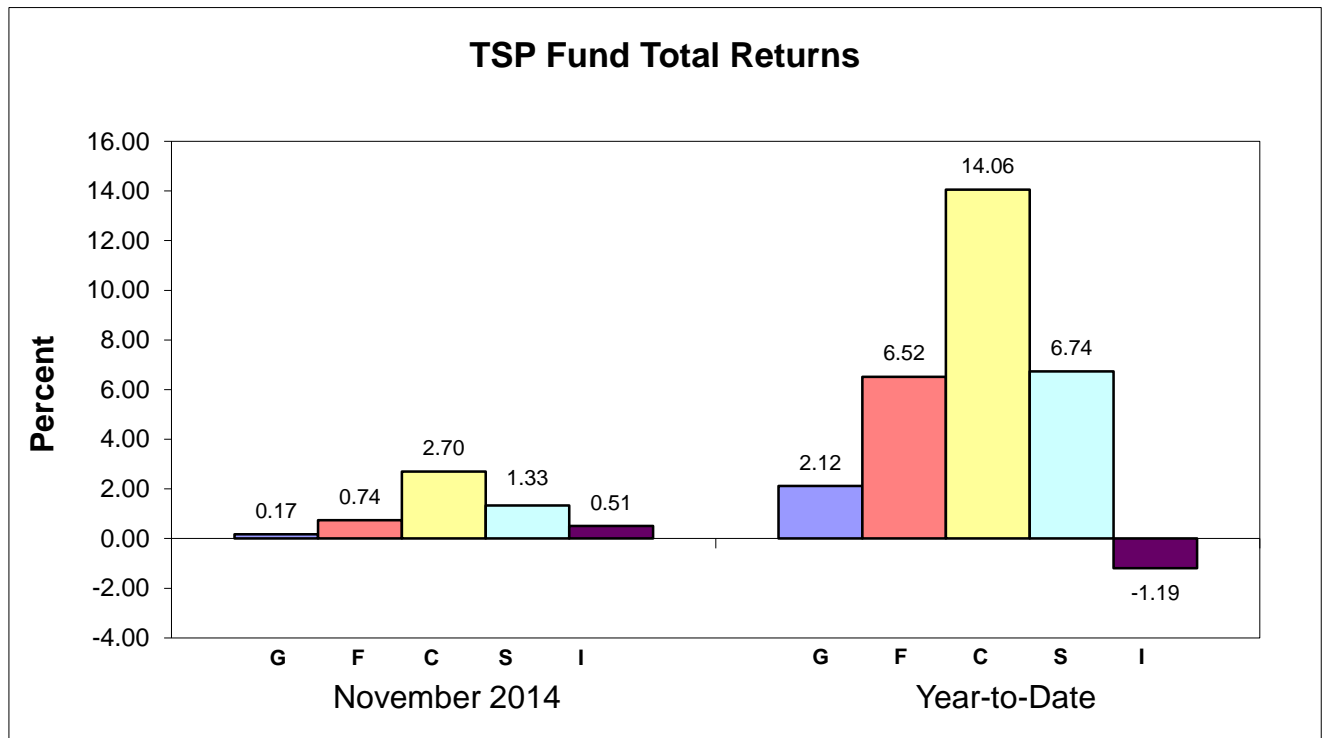
Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs*</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
November 2014	265,492,728	9,326	0.4
Year-to-Date	7,612,915,312	177,298	0.2
<u>C Fund</u>			
November 2014	1,448,627,654	(12,739)	-0.1
Year-to-Date	13,837,071,010	(1,088,558)	-0.8
<u>S Fund</u>			
November 2014	1,114,319,563	315,302	2.8
Year-to-Date	15,736,768,901	(1,050,729)	-0.7
<u>I Fund</u>			
November 2014	823,919,484	803,528	9.8
Year-to-Date	8,793,436,981	6,157,119	7.0

* -- Trading Costs are comprised of commissions, fees, and the difference between where a security is traded and the closing index price.

Performance of TSP Funds

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

November 2014

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.74	0.74	0.00	0.70
Large Cap	2.70	2.70	0.00	2.69
Small Cap	1.33	1.33	0.00	1.33
International	0.51	0.51	0.00	1.36

2014

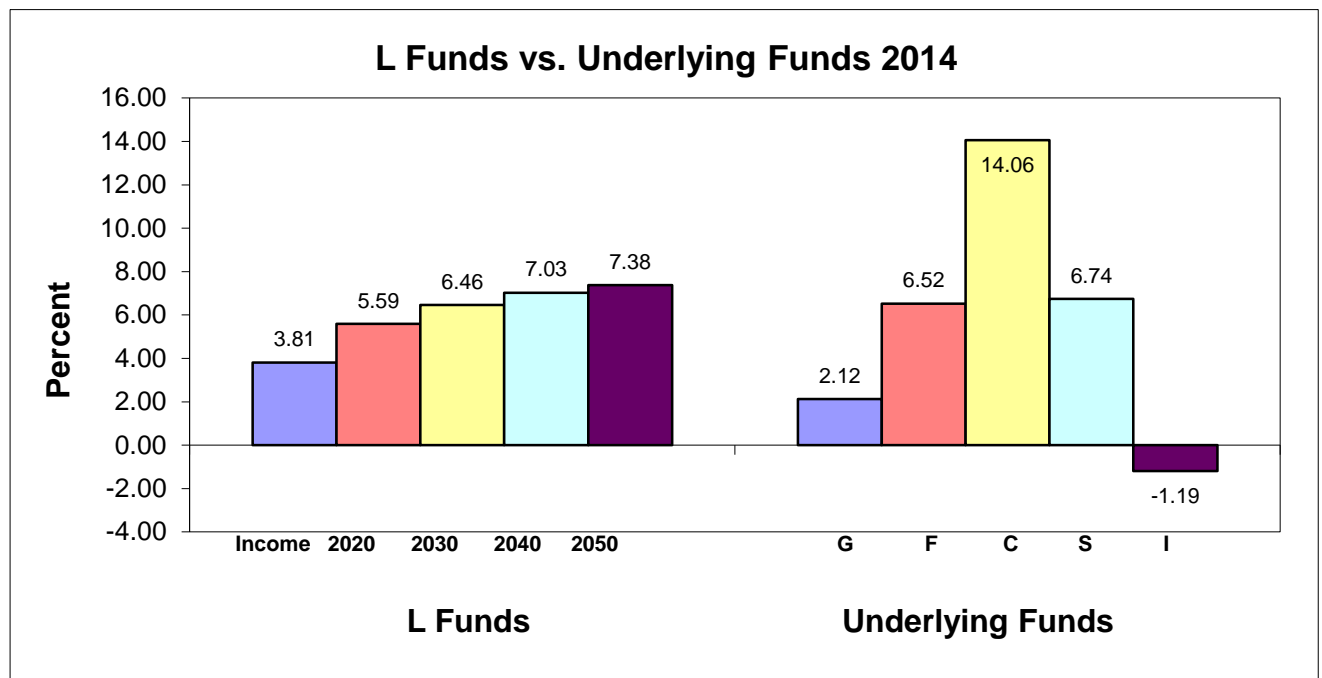
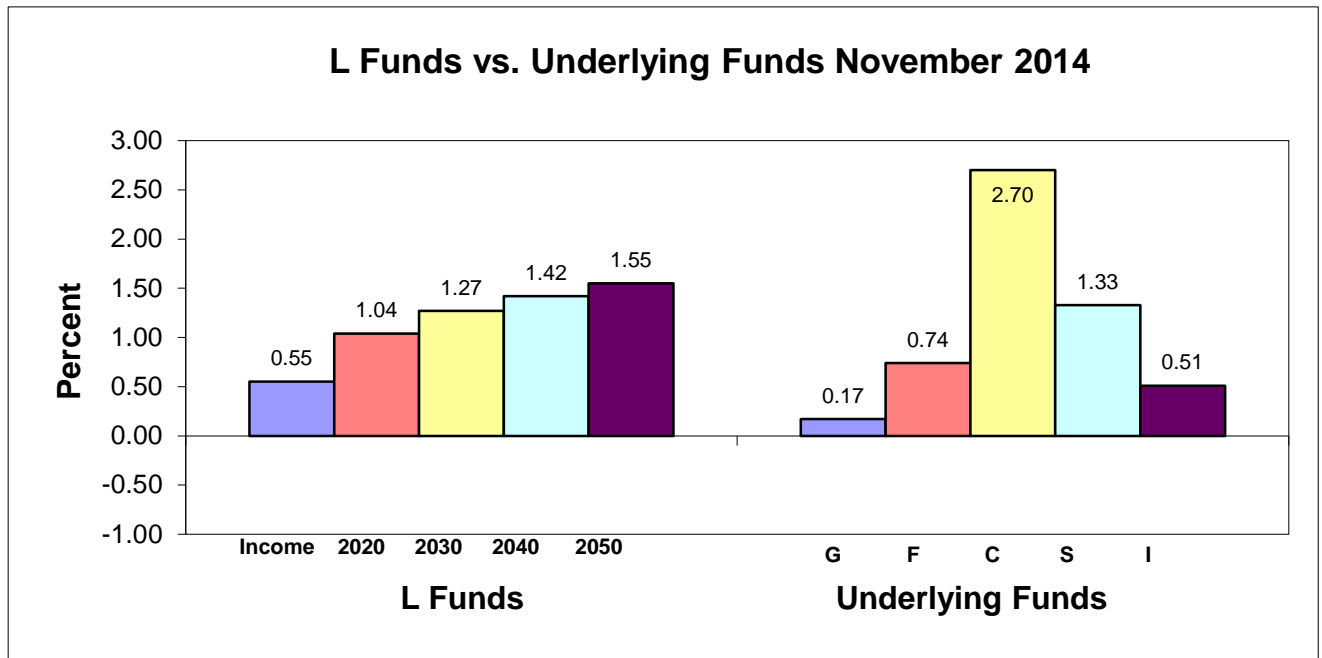
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	6.52	6.54	-0.02	5.86
Large Cap	14.06	14.09	-0.03	13.98
Small Cap	6.74	6.70	0.04	6.59
International	-1.19	-1.15	-0.04	-1.49

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

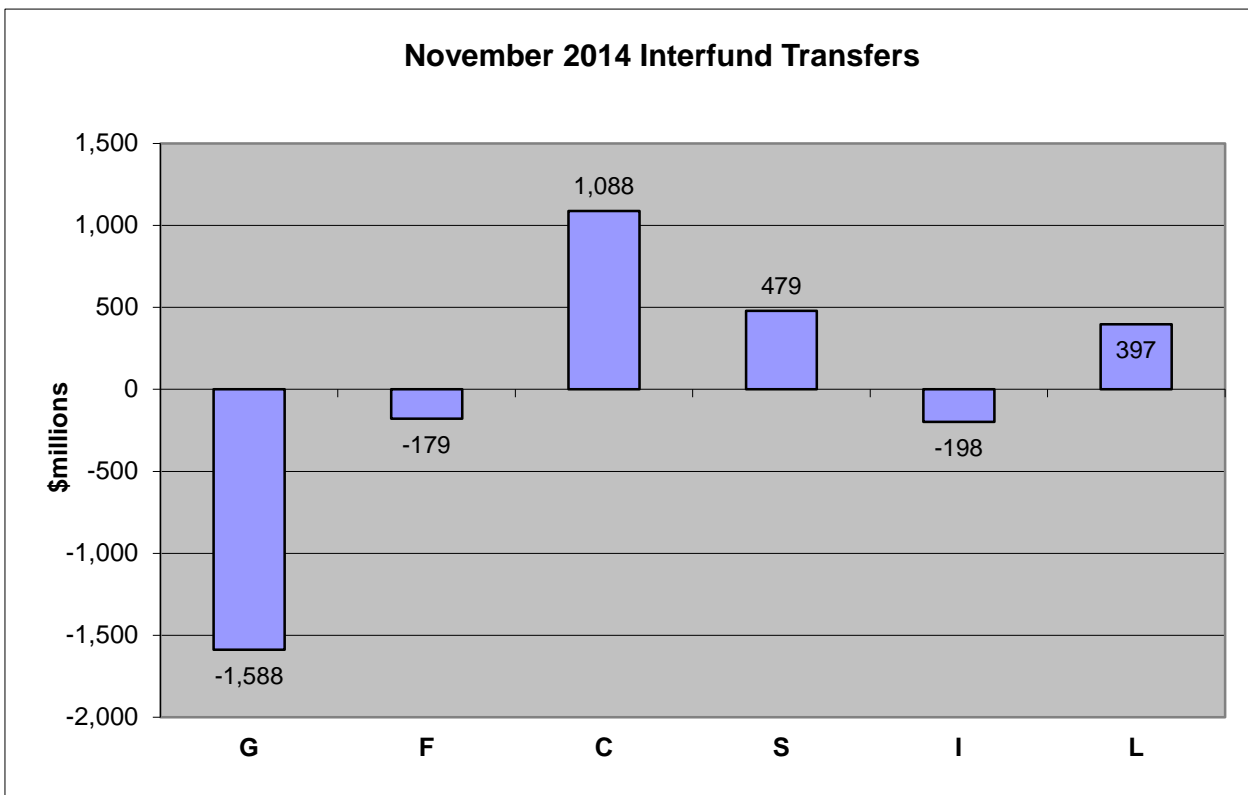
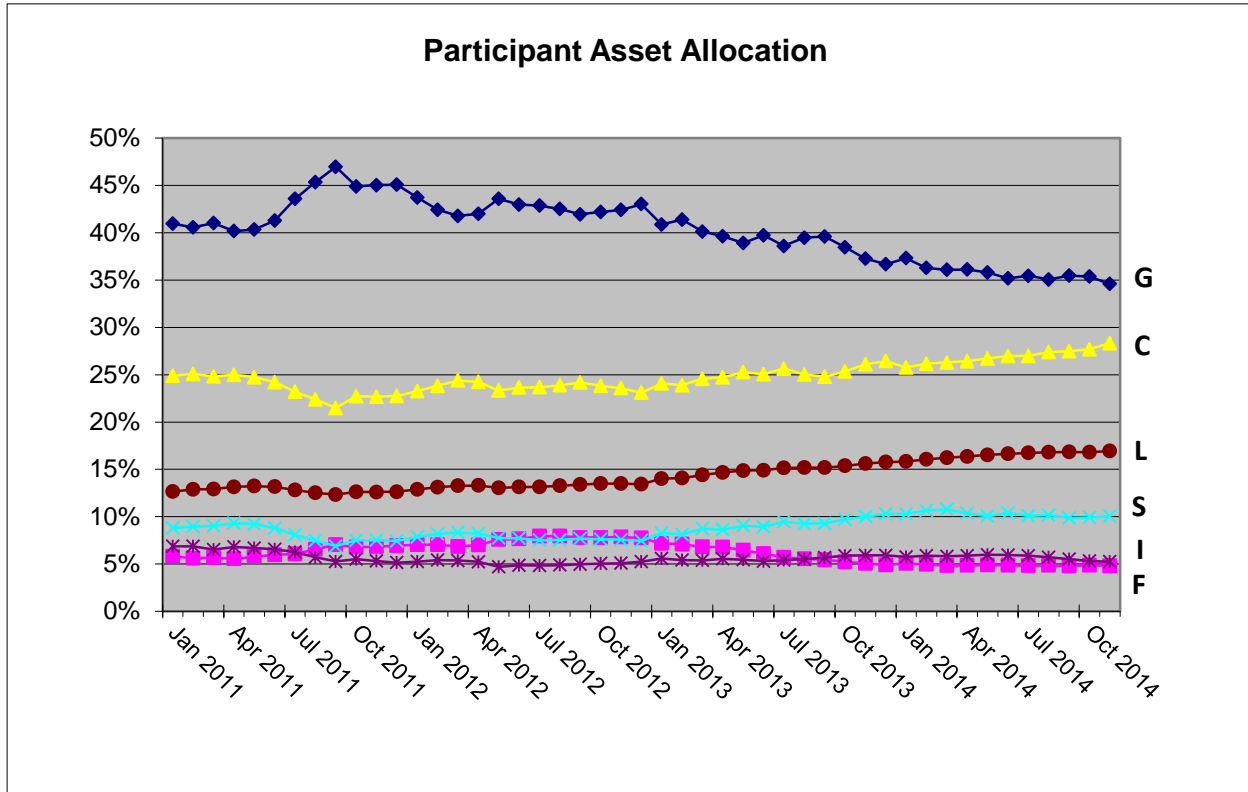
L Funds

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
November 2014

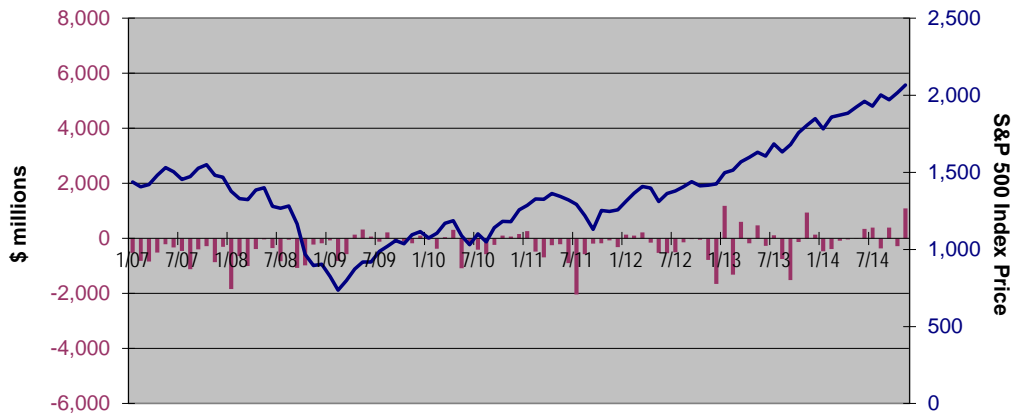
Attachment 1



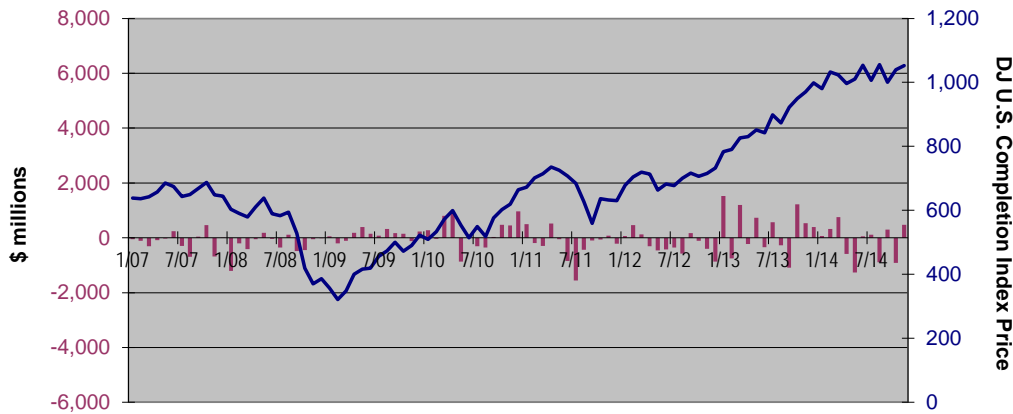
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November 2014

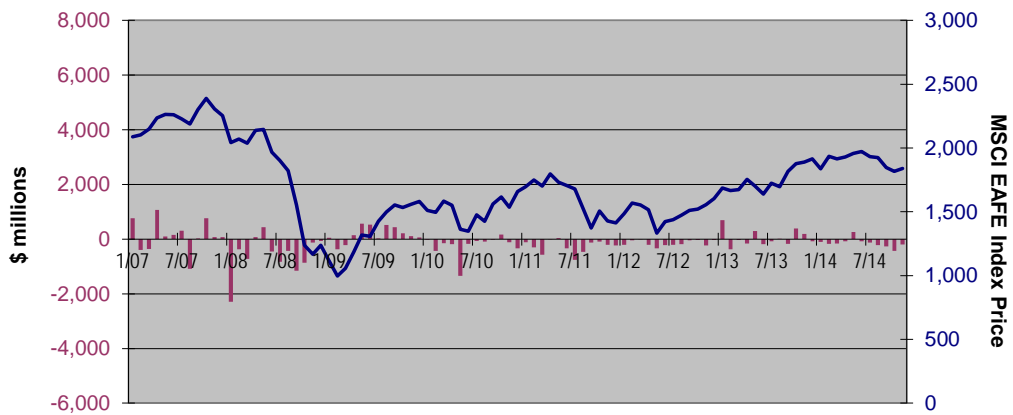
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



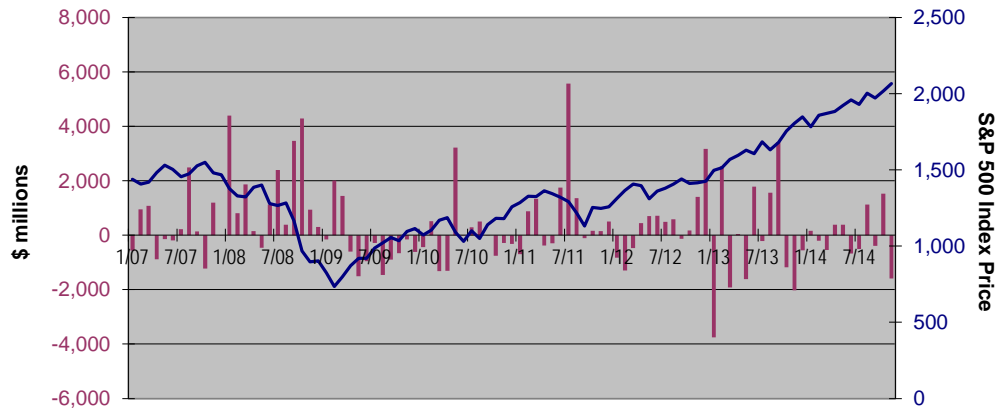
Monthly Interfund Transfers
I Fund



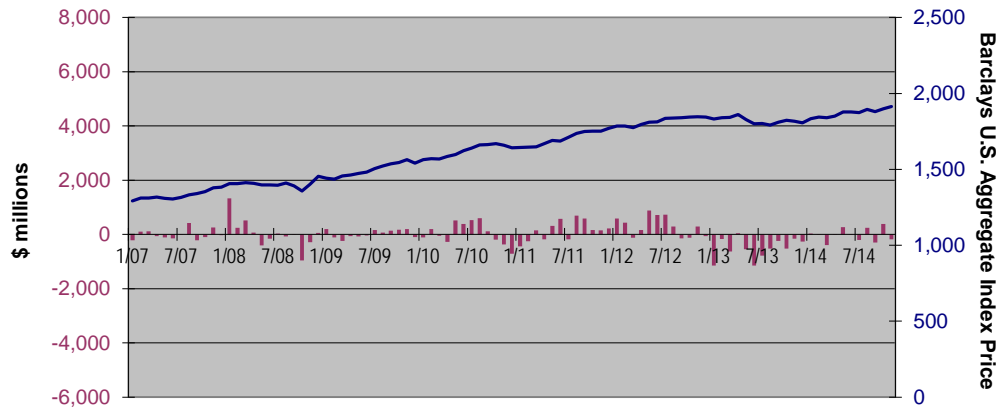
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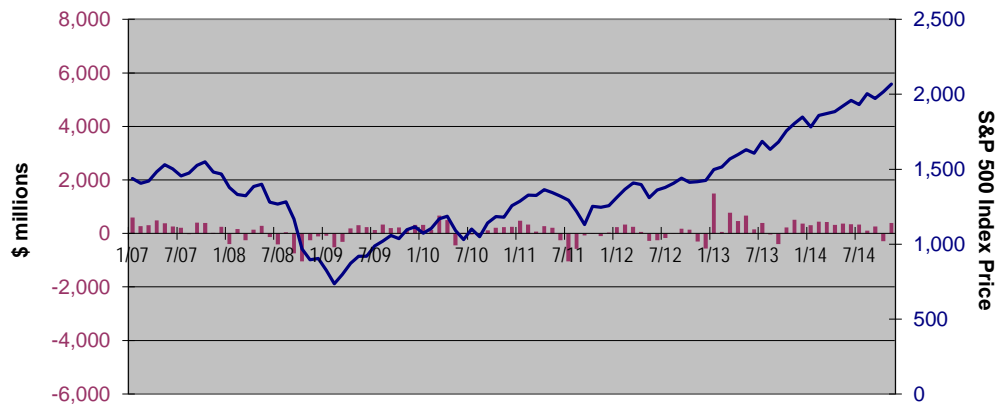
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

November 2014

