



## FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

September 4, 2015

### MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: RAVINDRA DEO  
CHIEF INVESTMENT OFFICER

A handwritten signature in blue ink, appearing to be "RD", is written over the title "CHIEF INVESTMENT OFFICER".

SUBJECT: August 2015 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 August 2015, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

#### TRACKING ERROR - BlackRock Funds (BTC)

##### *August Tracking Error*

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.10	-0.14	0.04
Large Cap	-6.03	-6.03	0.00
<b>Small Mid Cap</b>	<b>-5.81</b>	<b>-5.89</b>	<b>0.08</b>
International	-7.34	-7.36	0.02

##### *2015 Tracking Error*

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
<b>Fixed Income</b>	<b>0.70</b>	<b>0.45</b>	<b>0.25</b>
Large Cap	-2.83	-2.88	0.05
<b>Small Mid Cap</b>	<b>-1.24</b>	<b>-1.52</b>	<b>0.28</b>
<b>International</b>	<b>0.77</b>	<b>-0.21</b>	<b>0.98</b>

BlackRock outperformed the Small Mid-Cap Index by 8 basis points for the month and 28 basis points for the year due to securities sampling and securities lending. BlackRock outperformed the index by 98 basis points in the International Fund for the year as a result of the tax effect and a fair value pricing adjustment on December 31, 2014. BlackRock outperformed the index by 25 basis points in the Fixed Income Fund for the year due to pricing differences and securities lending.

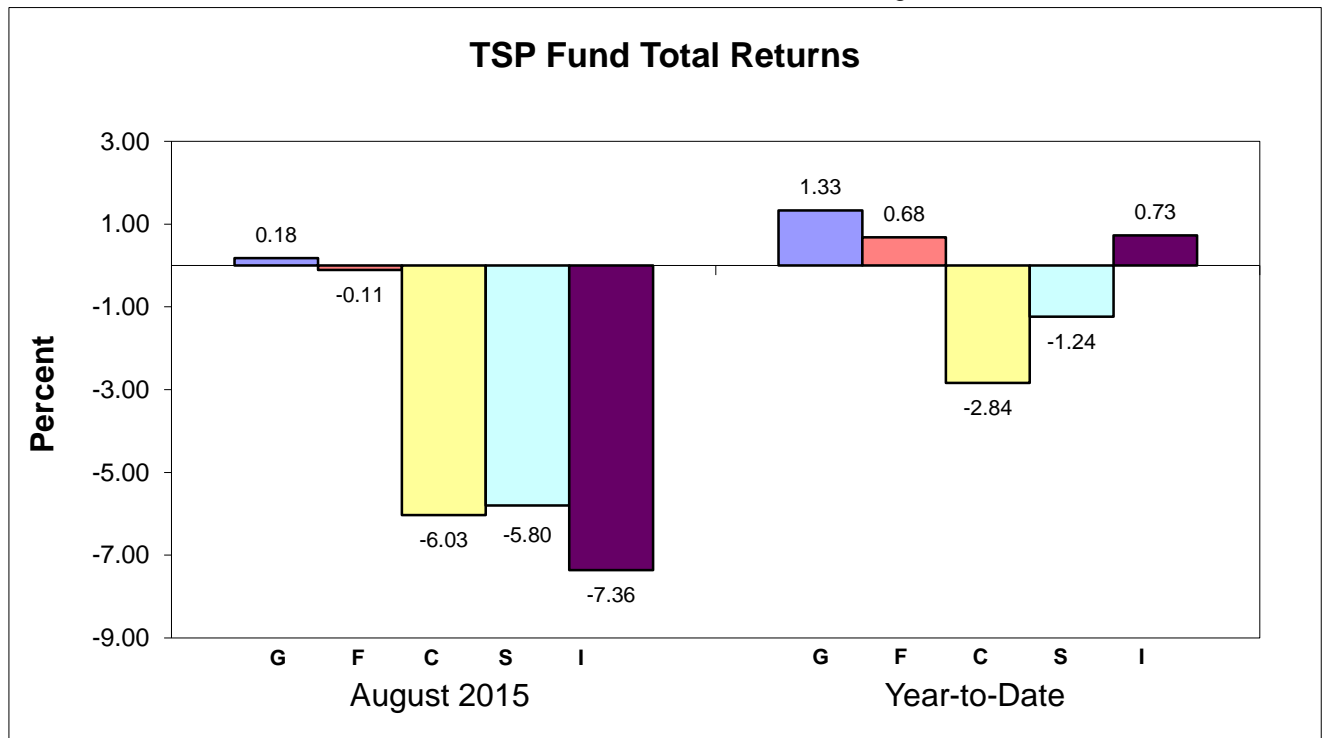
**Trading Costs**

	<u>Dollar Amount Traded</u>	<u>Trading Costs*</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
August 2015	764,679,664	57,908	0.8
Year-to-Date	5,649,349,756	357,520	0.6
<u>C Fund</u>			
August 2015	3,135,692,540	(7,105,516)	-22.7
Year-to-Date	17,087,659,154	(8,366,925)	-4.9
<u>S Fund</u>			
August 2015	2,784,146,257	(7,736,935)	-27.8
Year-to-Date	12,316,978,375	(6,988,859)	-5.7
<u>I Fund</u>			
August 2015	1,607,044,679	4,996,874	31.1
Year-to-Date	9,347,835,566	7,584,229	8.1

\* -- 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 August 2015 and 2015.



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.

### August 2015

#### Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.11	-0.10	-0.01	-0.14
Large Cap	-6.03	-6.03	0.00	-6.03
Small Cap	-5.80	-5.81	0.01	-5.89
International	-7.36	-7.34	-0.02	-7.36

### 2015

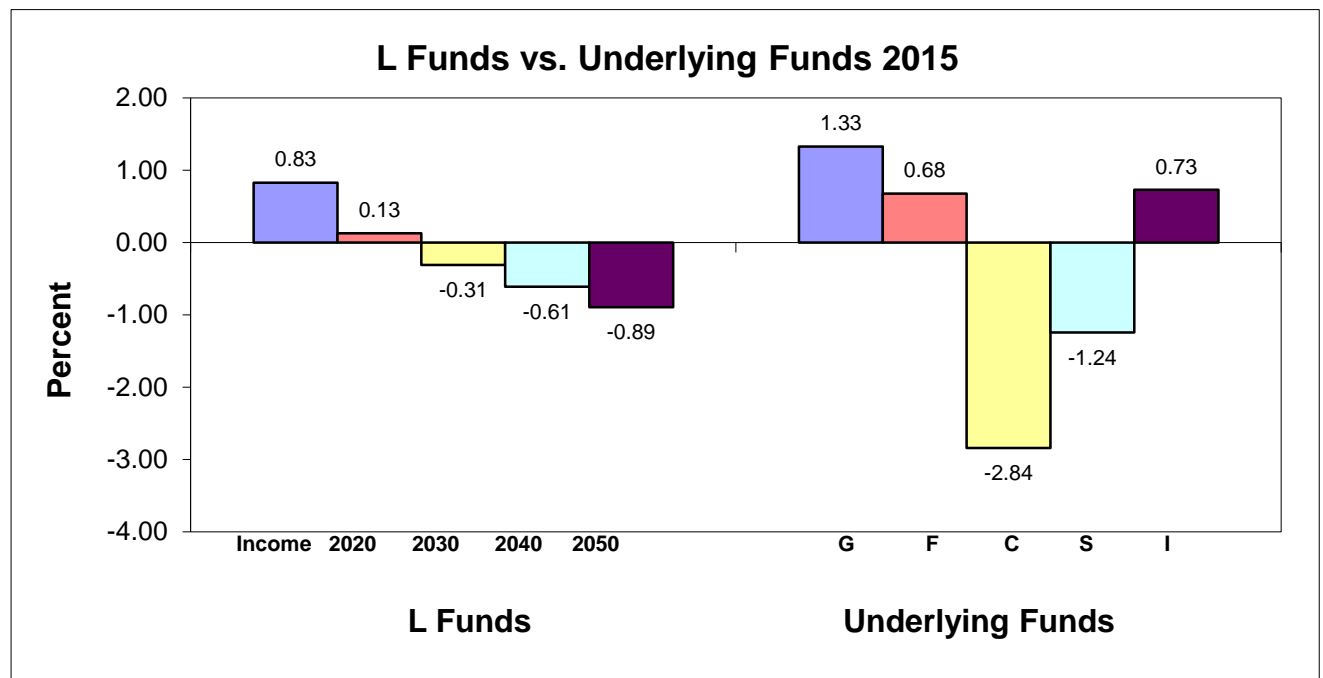
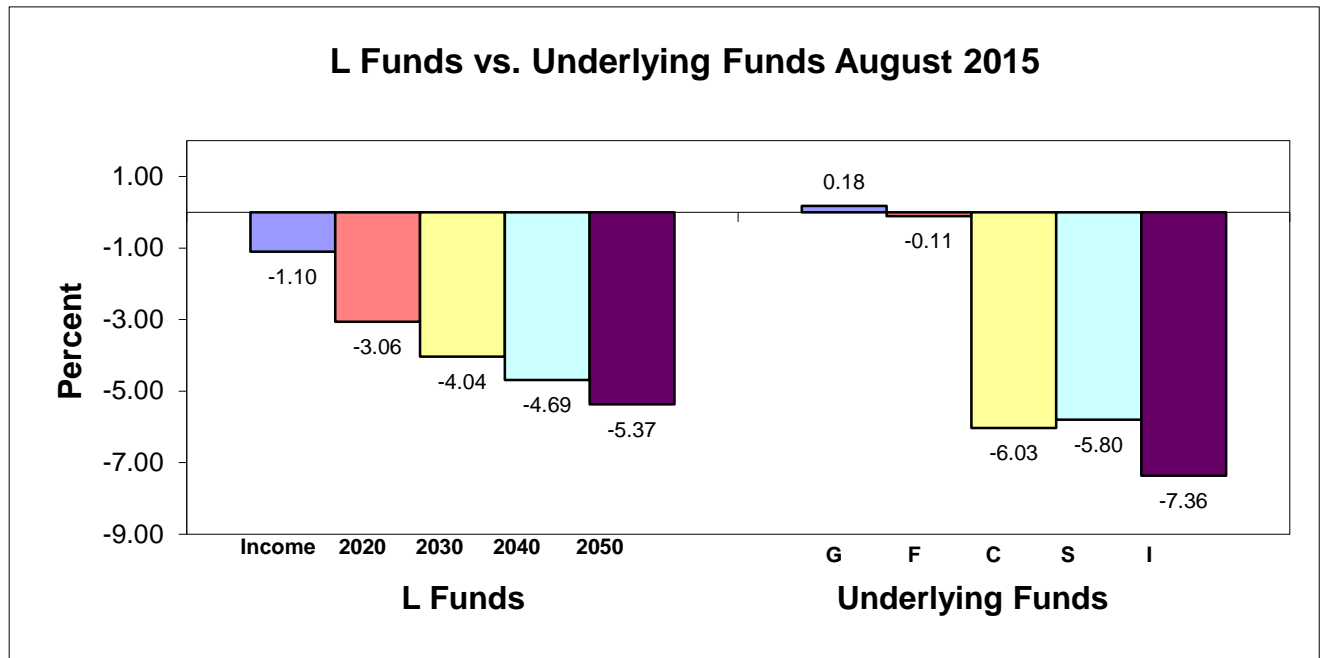
#### Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.68	0.70	-0.02	0.45
Large Cap	-2.84	-2.83	-0.01	-2.88
Small Cap	-1.24	-1.24	0.00	-1.52
International	0.73	0.77	-0.04	-0.21

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

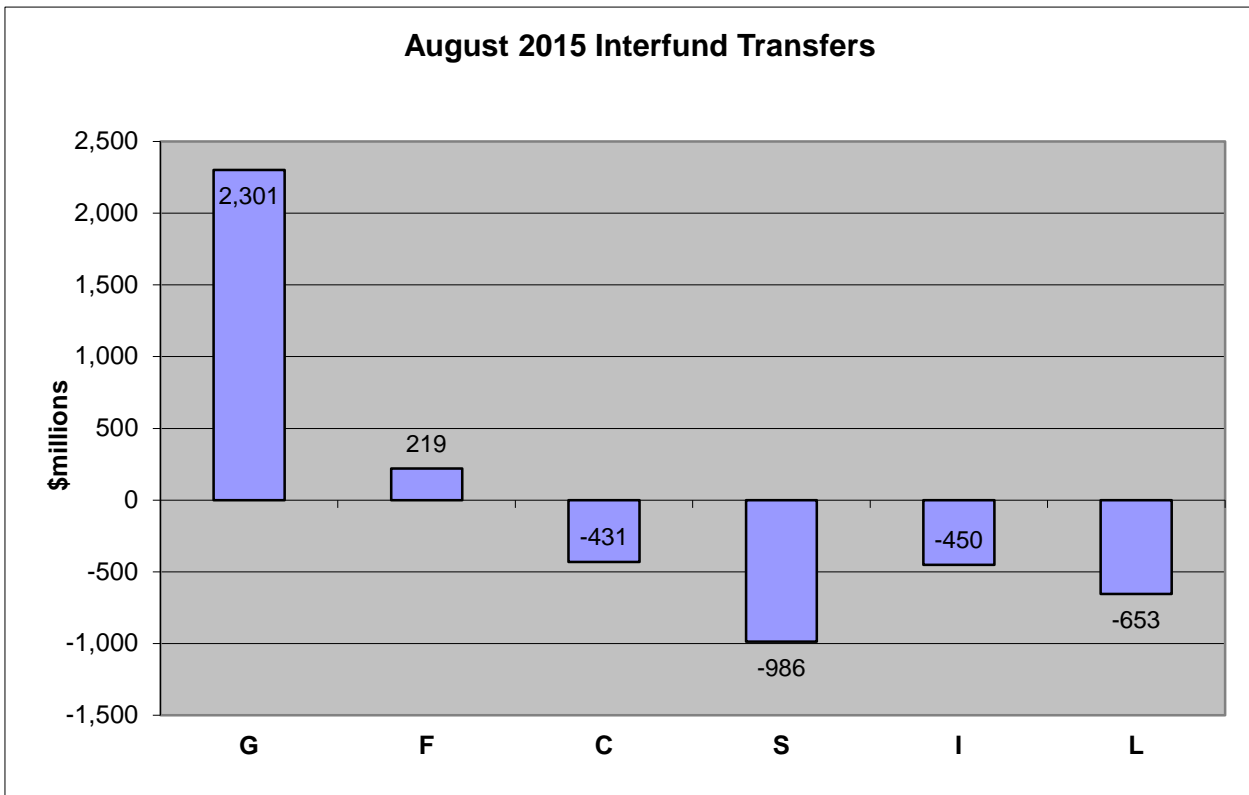
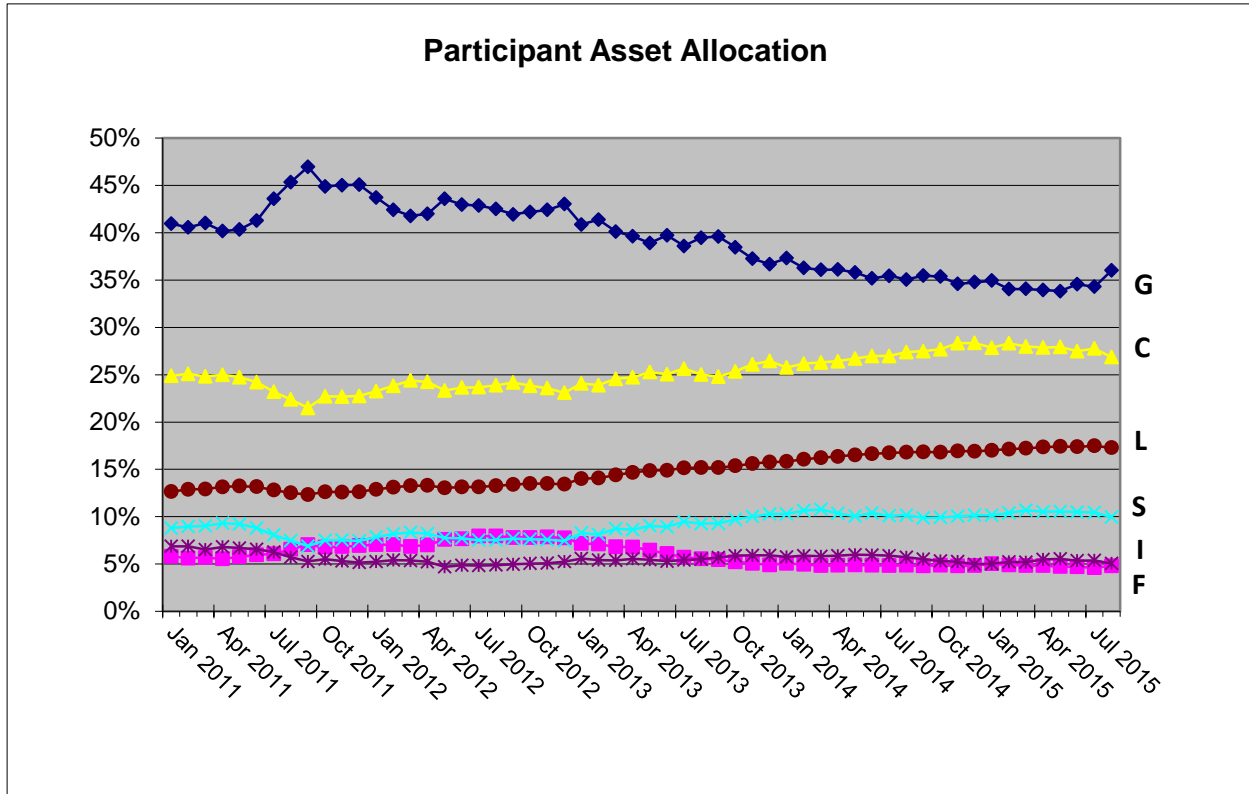
## L Funds

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 August 2015

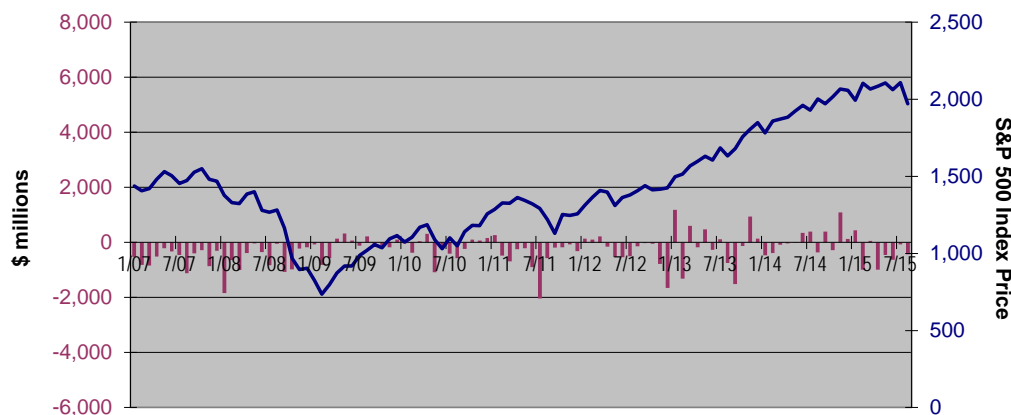
Attachment 1



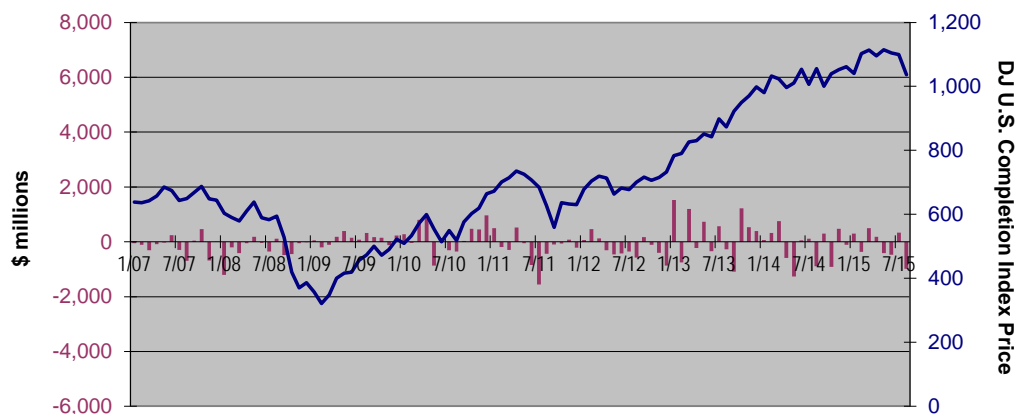
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## August 2015

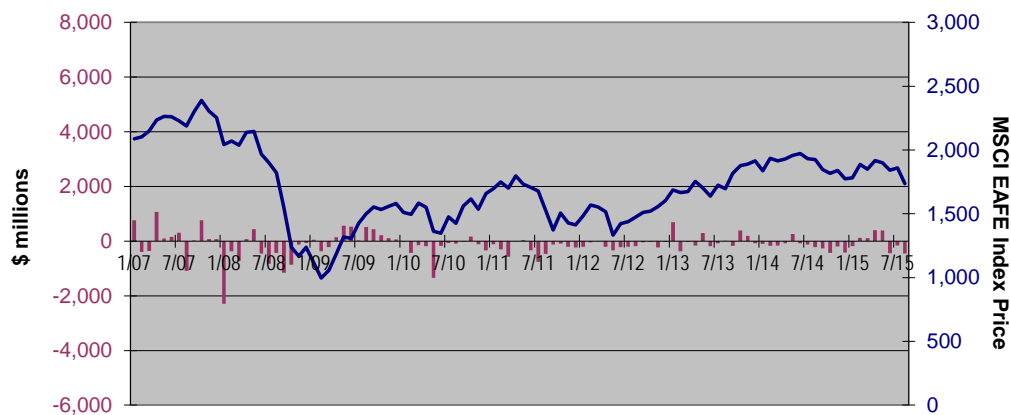
Monthly Interfund Transfers  
C Fund



Monthly Interfund Transfers  
S Fund



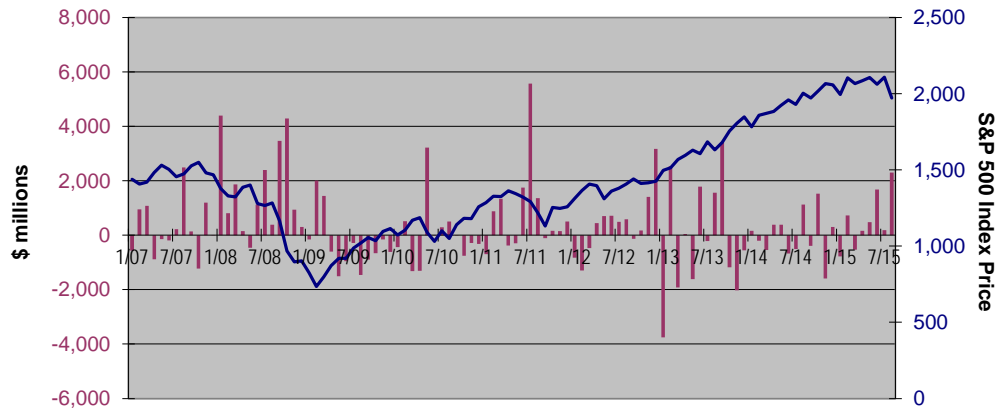
Monthly Interfund Transfers  
I Fund



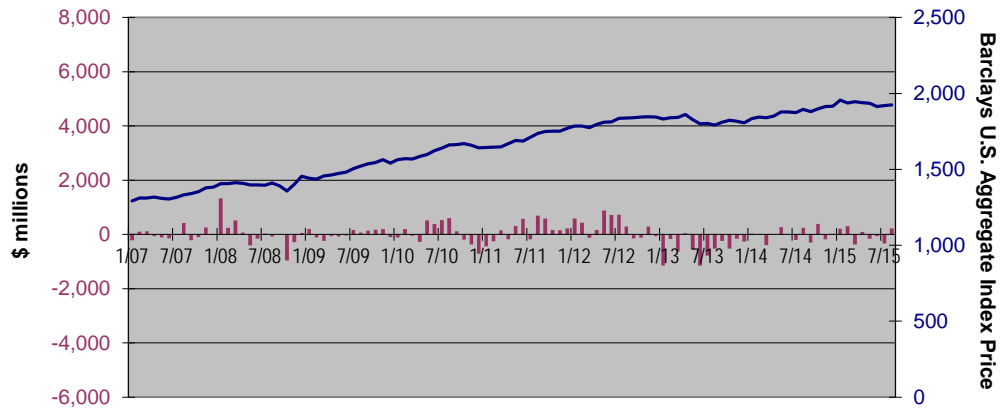
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## August 2015

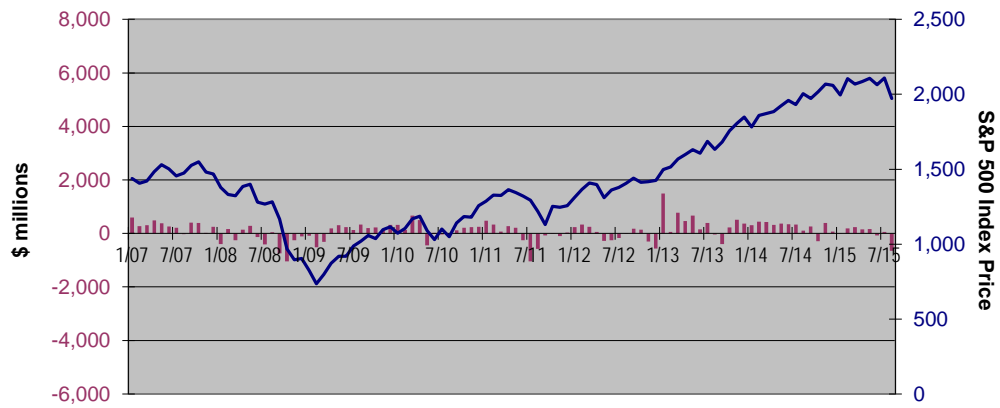
Monthly Interfund Transfers  
G Fund



Monthly Interfund Transfers  
F Fund



Monthly Interfund Transfers  
L Funds



# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

## August 2015

