



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
77 K Street, NE Washington, DC 20002

August 8, 2016

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY  
ACTING CHIEF INVESTMENT OFFICER

SUBJECT: July 2016 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, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

**TRACKING ERROR - TSP Separate Accounts at BlackRock (BTC)**

***Monthly Tracking Error***

| <b><u>Fund</u></b> | <b><u>% BTC Returns</u></b> | <b><u>% TSP Returns</u></b> | <b><u>% Index Returns</u></b> | <b><u>BTC T.E.</u></b> | <b><u>TSP vs. BTC</u></b> |
|--------------------|-----------------------------|-----------------------------|-------------------------------|------------------------|---------------------------|
| Fixed Income       | 0.64                        | 0.64                        | 0.63                          | 0.01                   | 0.00                      |
| Large Cap          | 3.69                        | 3.69                        | 3.69                          | 0.00                   | 0.00                      |
| Small Mid Cap      | 5.41                        | 5.40                        | 5.38                          | 0.03                   | -0.01                     |
| International      | 5.08                        | 5.07                        | 5.07                          | 0.01                   | -0.01                     |

***2016 Year-to-Date (YTD) Tracking Error***

| <b><u>Fund</u></b>   | <b><u>% BTC Returns</u></b> | <b><u>% TSP Returns</u></b> | <b><u>% Index Returns</u></b> | <b><u>BTC T.E.</u></b> | <b><u>TSP vs. BTC</u></b> |
|----------------------|-----------------------------|-----------------------------|-------------------------------|------------------------|---------------------------|
| <b>Fixed Income</b>  | <b>6.20</b>                 | <b>6.17</b>                 | <b>5.98</b>                   | <b>0.22</b>            | <b>-0.03</b>              |
| Large Cap            | 7.72                        | 7.70                        | 7.66                          | 0.06                   | -0.02                     |
| <b>Small Mid Cap</b> | <b>8.28</b>                 | <b>8.26</b>                 | <b>7.87</b>                   | <b>0.41</b>            | <b>-0.02</b>              |
| <b>International</b> | <b>1.50</b>                 | <b>1.46</b>                 | <b>0.42</b>                   | <b>1.08</b>            | <b>-0.04</b>              |

For the month, BlackRock's performance was close to index across the four funds. BlackRock outperformed the International Index by 108 basis points for the year primarily due to the reversal of a fair value pricing adjustment on December 31, 2015 and also due to tax effect. BlackRock outperformed the Small Mid-Cap Index by 41 basis points for the year primarily due to securities lending. BlackRock outperformed the Fixed Income Index by 22 basis points for the year primarily due to securities lending.

The TSP Funds closely tracked the BTC Accounts for the month. The TSP Funds also closely tracked the BTC Accounts for the year.

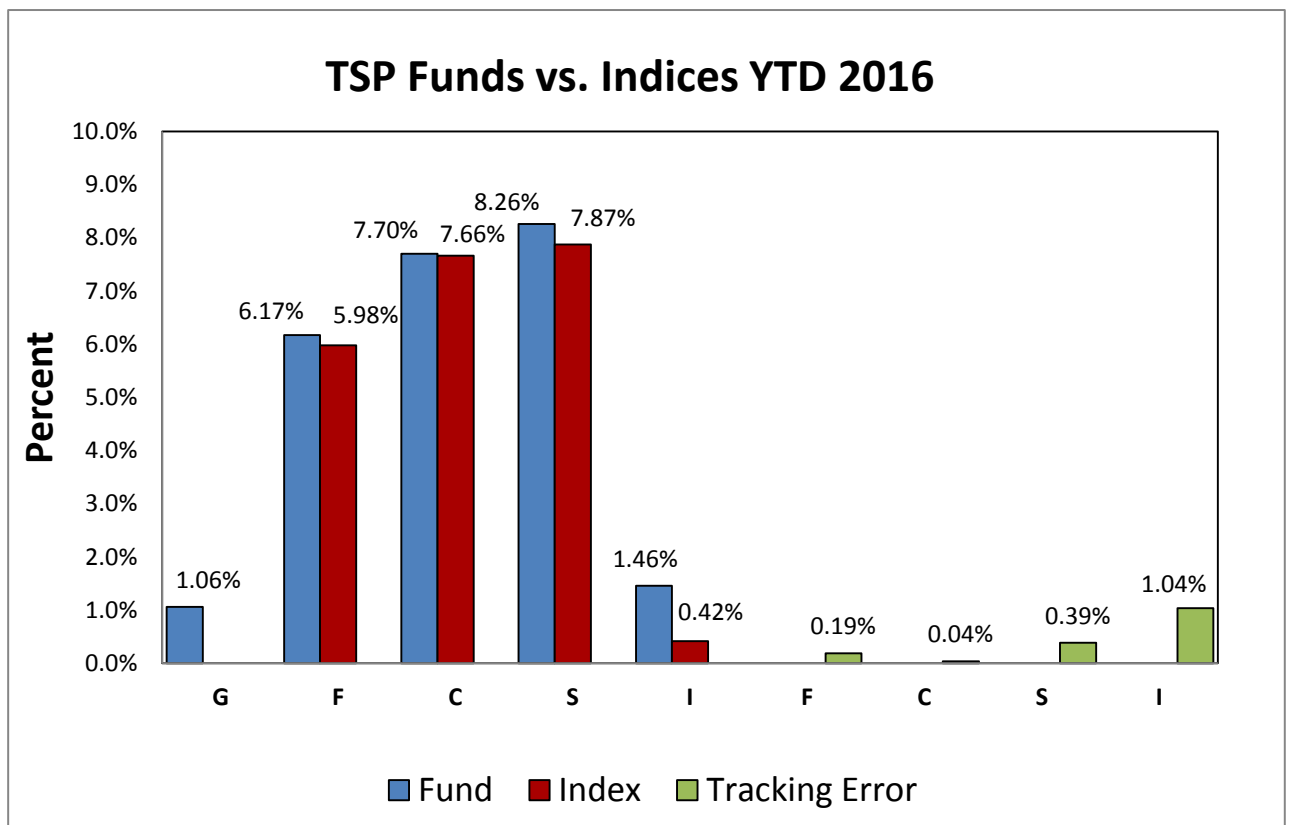
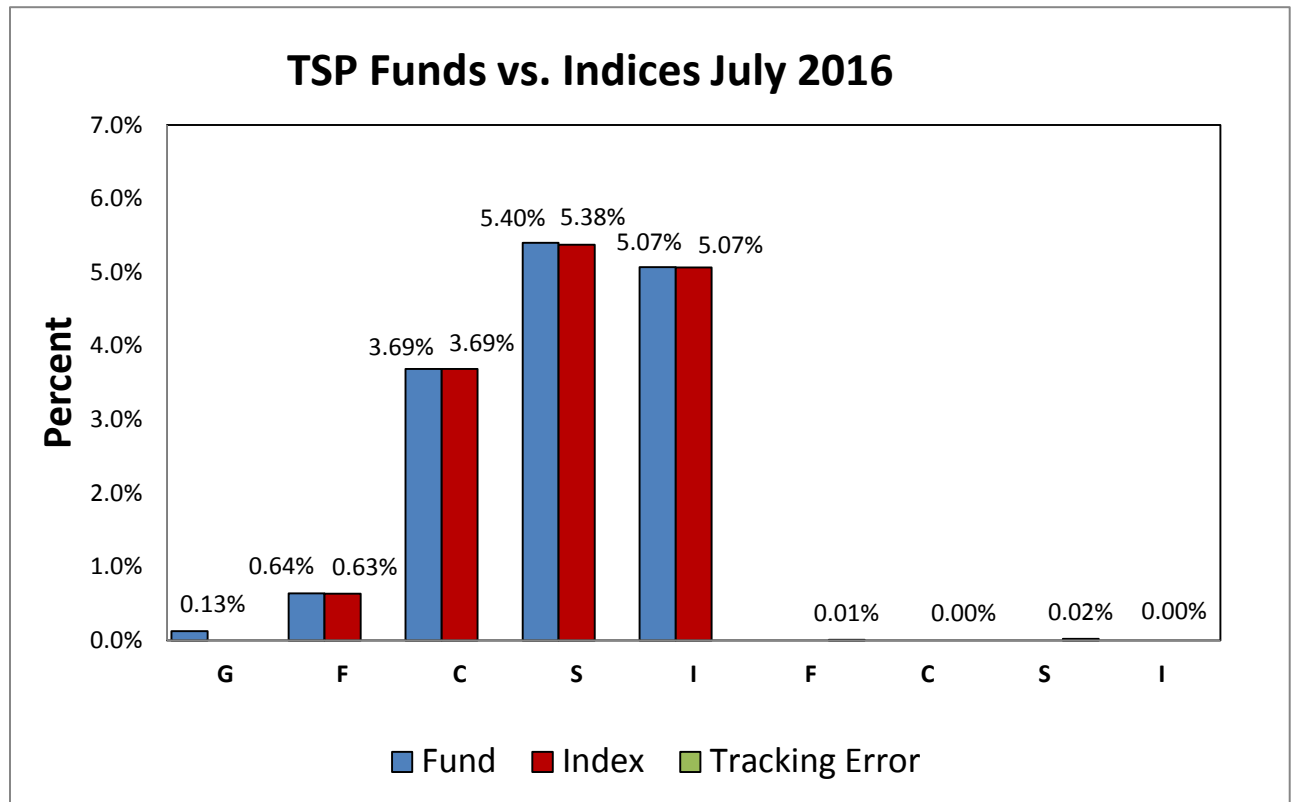
## Trading Costs

| <u>Trading Costs</u> |                                       |                |                               |
|----------------------|---------------------------------------|----------------|-------------------------------|
| <u>F Fund</u>        | <u>Dollar Amount</u><br><u>Traded</u> | <u>Dollars</u> | <u>Basis</u><br><u>Points</u> |
| July                 | 952,843,922                           | 276,765        | 2.9                           |
| Year-to-Date         | 5,303,851,426                         | 611,183        | 1.2                           |
| <br><u>C Fund</u>    |                                       |                |                               |
| July                 | 1,583,600,004                         | 165,088        | 1.0                           |
| Year-to-Date         | 14,865,477,314                        | (3,199,397)    | -2.2                          |
| <br><u>S Fund</u>    |                                       |                |                               |
| July                 | 1,435,204,654                         | 5,075          | 0.0                           |
| Year-to-Date         | 11,631,258,234                        | (3,179,725)    | -2.7                          |
| <br><u>I Fund</u>    |                                       |                |                               |
| July                 | 1,323,279,543                         | 394,919        | 3.0                           |
| Year-to-Date         | 11,373,238,077                        | 6,900,980      | 6.1                           |

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

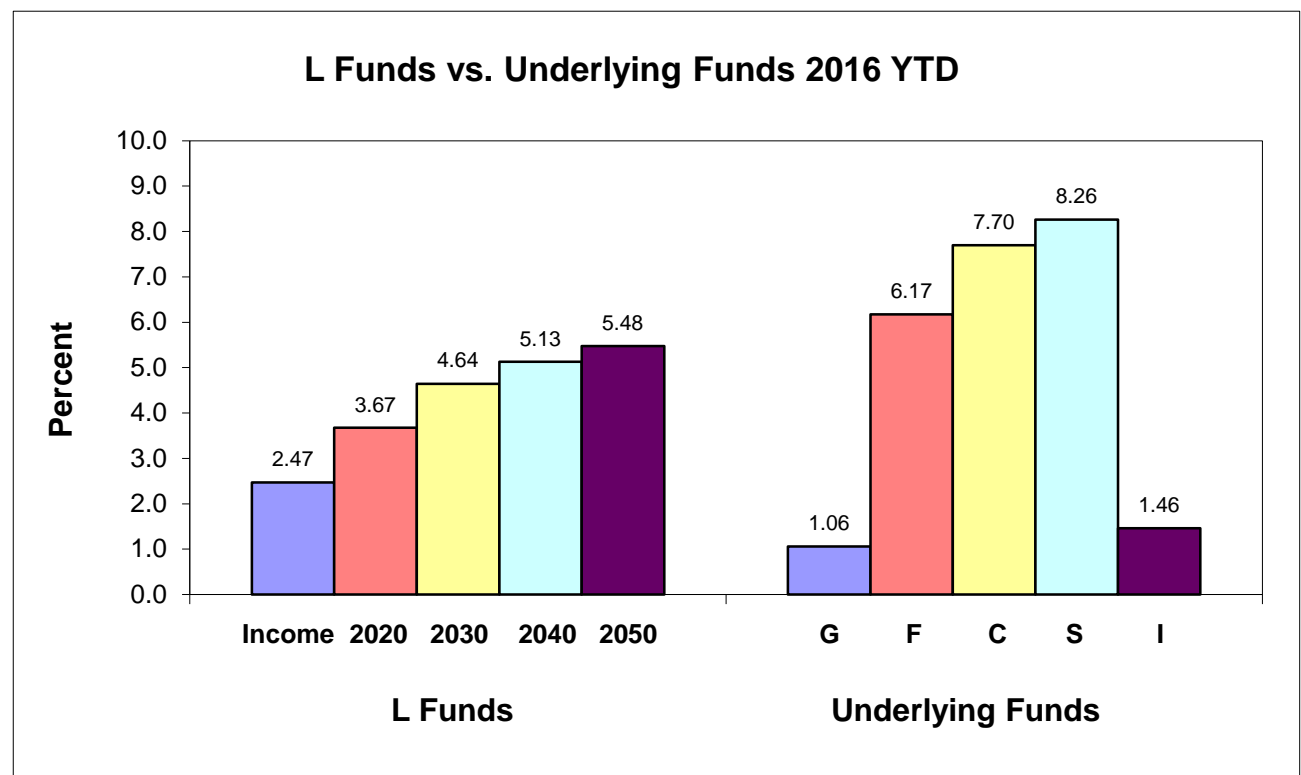
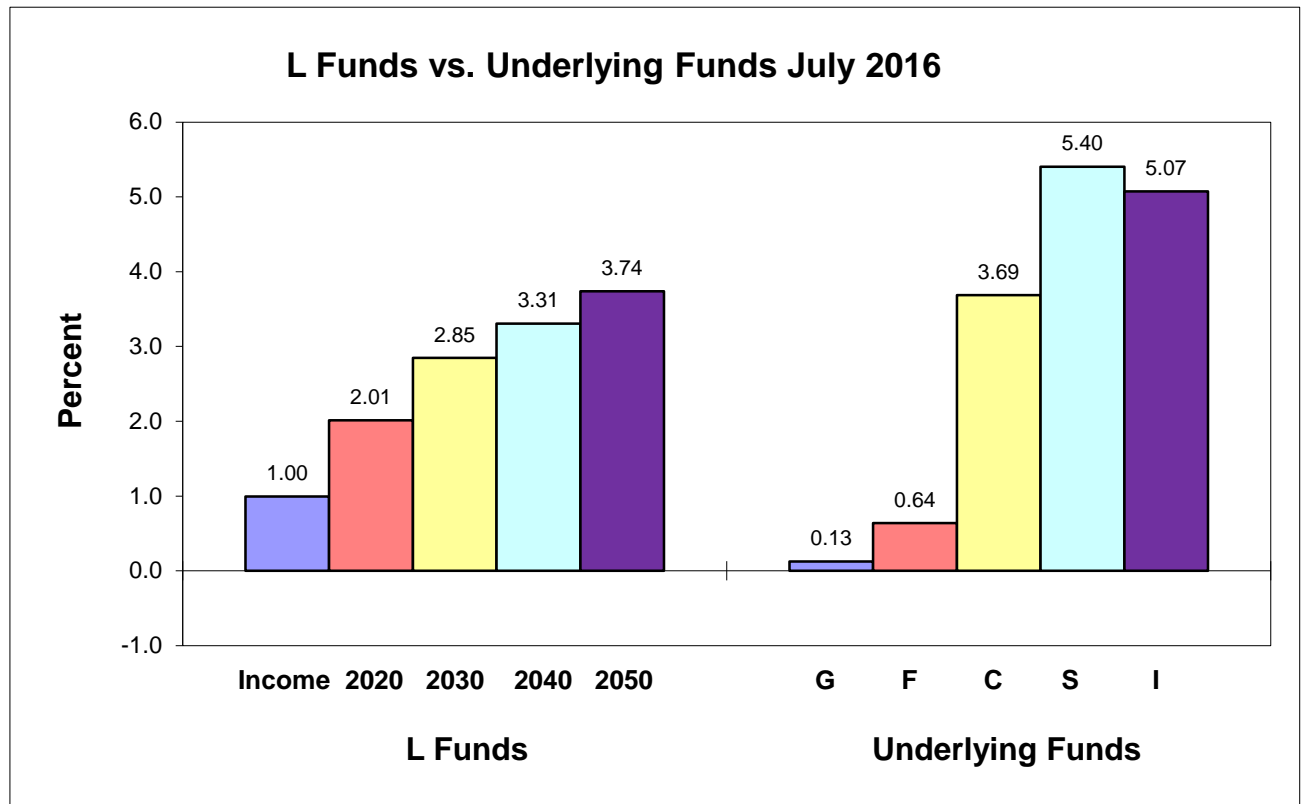
## Performance of TSP Funds Total Returns

The charts below show the G, F, C, S, and I Fund net rates of return vs. respective benchmark indices.



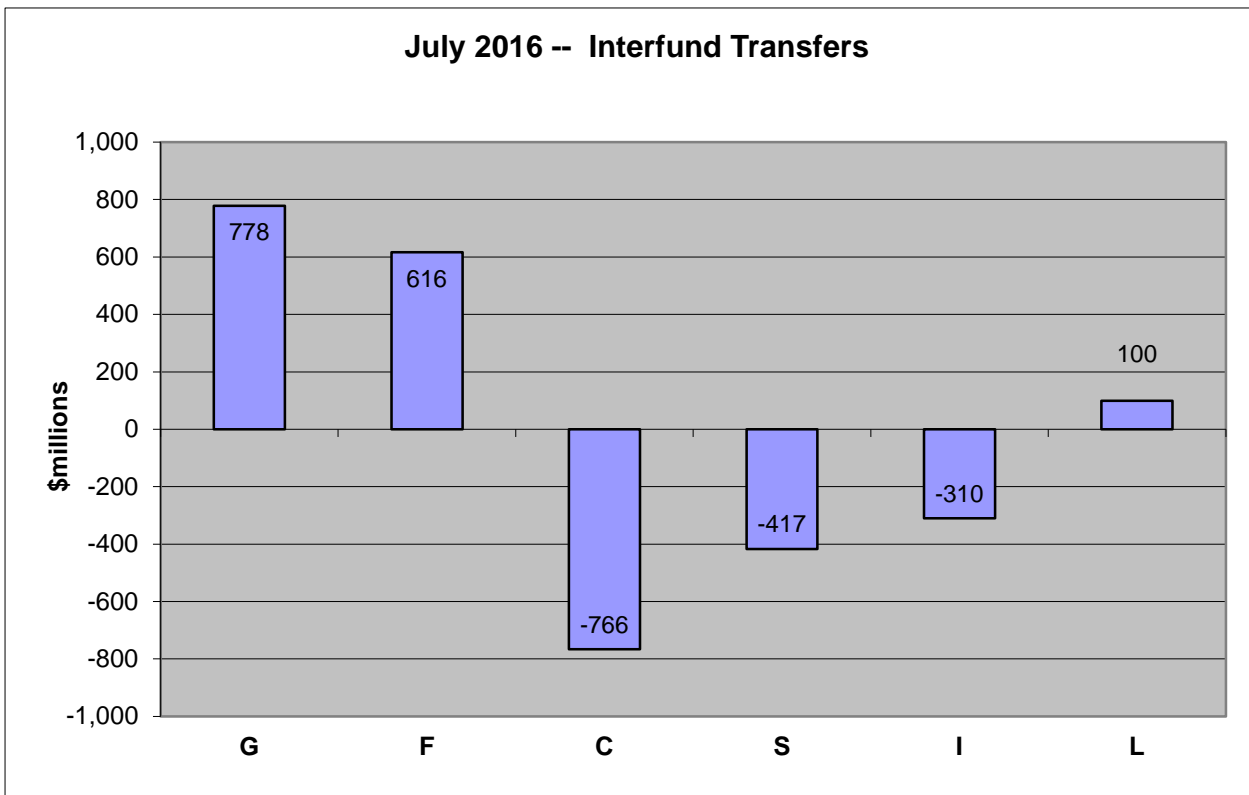
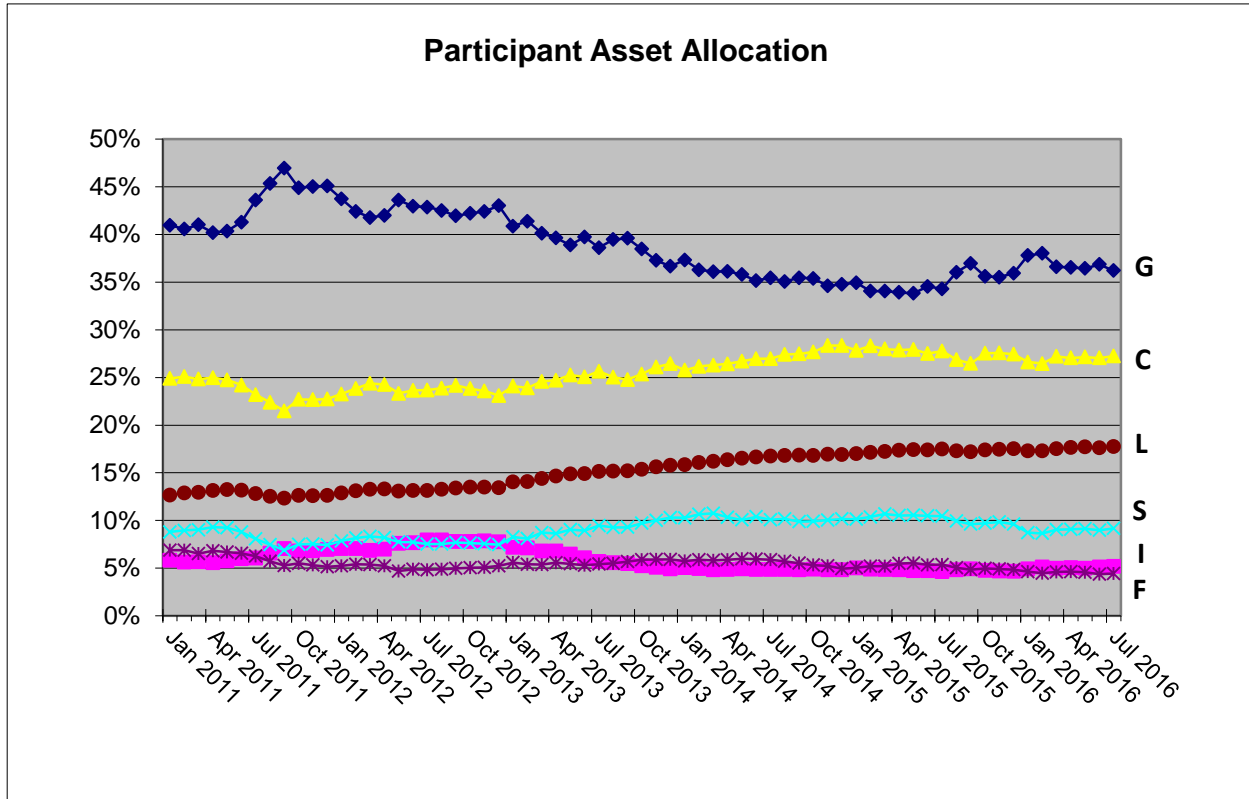
## L Funds

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.



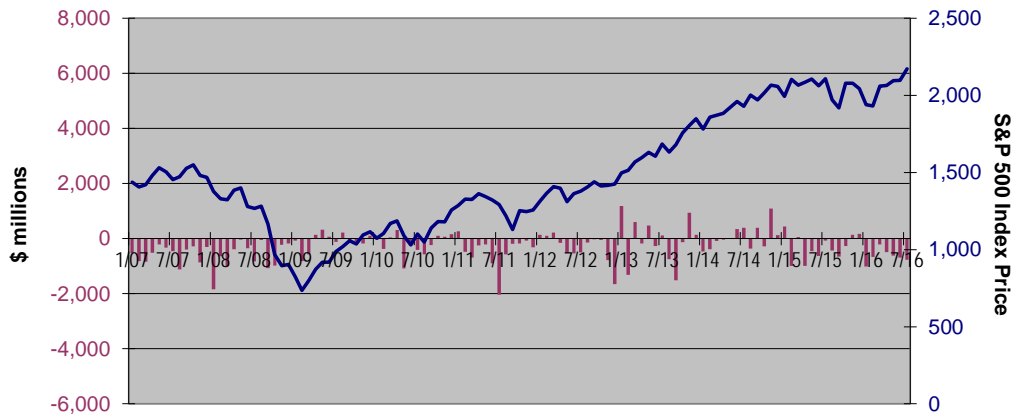
# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2016

Attachment 1

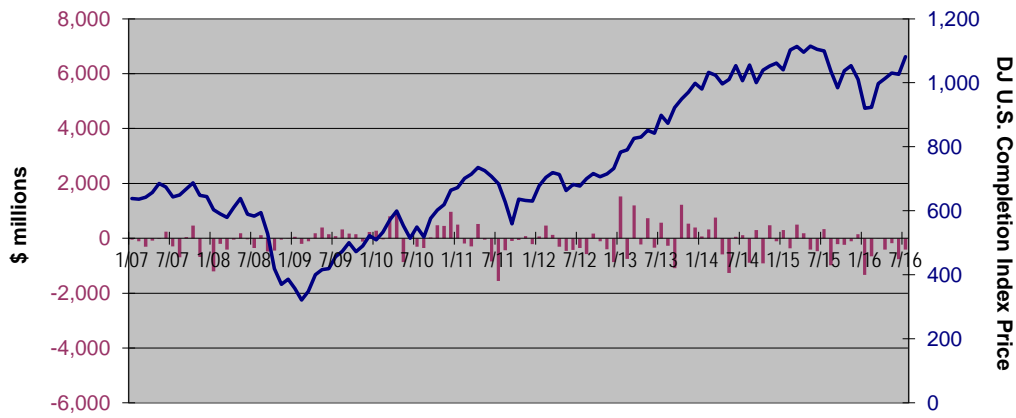


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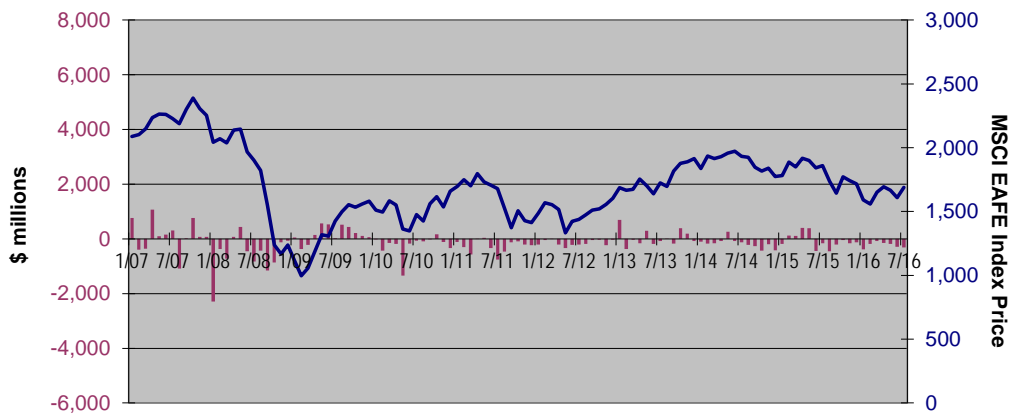
## Monthly Interfund Transfers C Fund



## Monthly Interfund Transfers S Fund

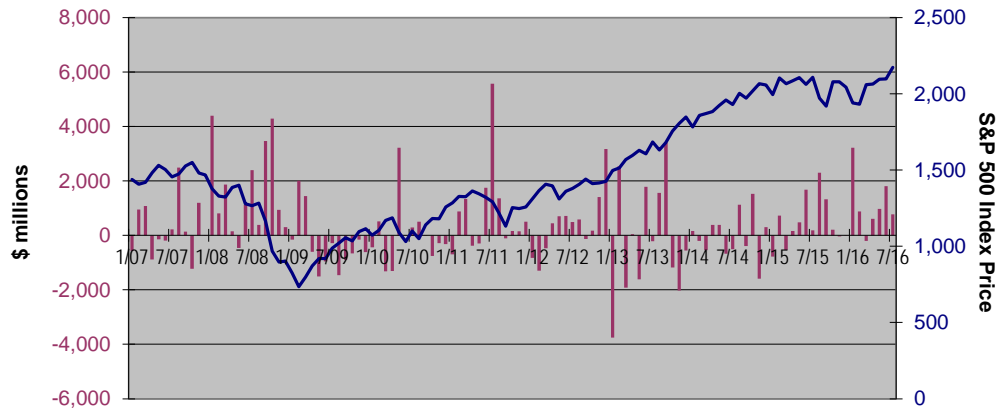


## Monthly Interfund Transfers I Fund

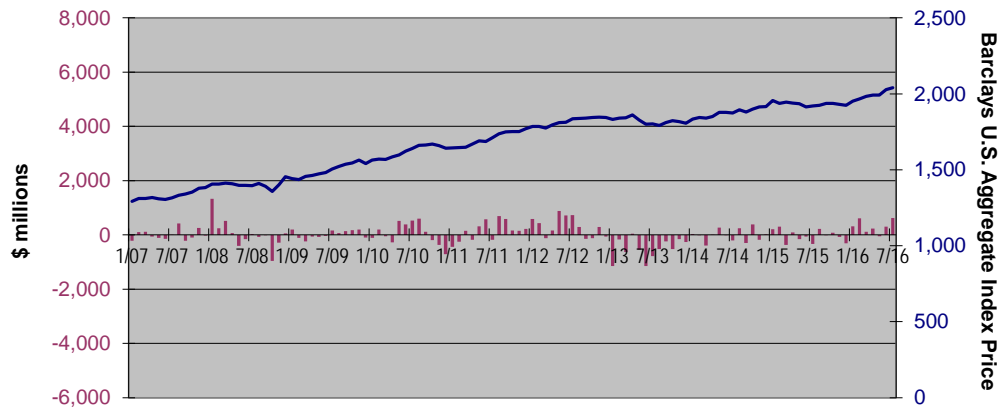


# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2016

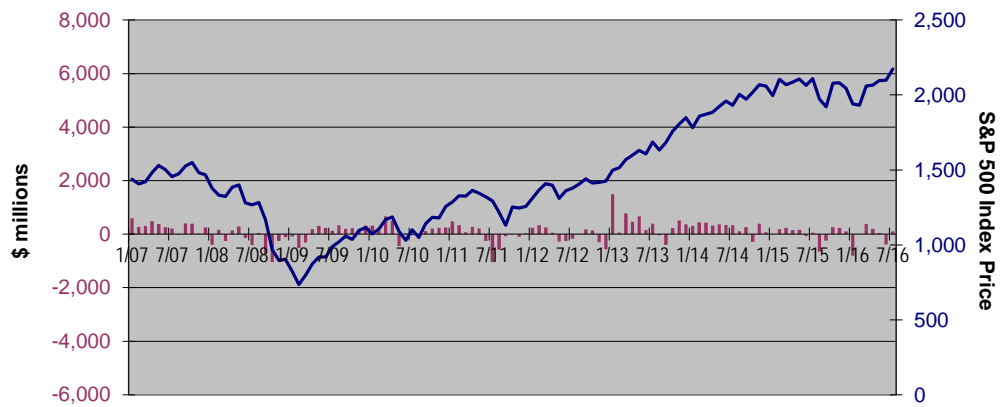
## Monthly Interfund Transfers G Fund



## Monthly Interfund Transfers F Fund



## Monthly Interfund Transfers L Funds



# THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

## July 2016

