



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

December 6, 2016

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
ACTING CHIEF INVESTMENT OFFICER

SUBJECT: November 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

<u>Fund</u>	<u>% BTC Returns</u>	<u>% TSP Returns</u>	<u>% Index Returns</u>	<u>BTC T.E.</u>	<u>TSP vs. BTC</u>
Fixed Income	-2.35	-2.35	-2.37	0.02	0.00
Large Cap	3.71	3.71	3.70	0.01	0.00
Small Mid Cap	7.95	7.95	7.83	0.12	0.00
International	-1.98	-1.99	-1.99	0.01	-0.01

2016 Year-to-Date (YTD) Tracking Error

<u>Fund</u>	<u>% BTC Returns</u>	<u>% TSP Returns</u>	<u>% Index Returns</u>	<u>BTC T.E.</u>	<u>TSP vs. BTC</u>
Fixed Income	2.79	2.75	2.50	0.29	-0.04
Large Cap	9.87	9.84	9.79	0.08	-0.03
Small Mid Cap	14.31	14.28	13.70	0.61	-0.03
International	-1.22	-1.29	-2.34	1.12	-0.07

BlackRock outperformed the Small Mid Cap Index for the month by 12 basis points primarily due to security sampling and securities lending. BlackRock's performance for the F, C and I Funds was in-line with indices for the month of November. BlackRock outperformed the Fixed Income Index by 29 basis points for the year primarily due to securities lending. BlackRock outperformed the Large Cap Index and the Small Mid Cap Index for the year by 8 basis points and 61 basis points respectively, primarily due to securities lending. BlackRock outperformed the International Index by 112 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.

The TSP Funds closely tracked the BTC Accounts for the month. The TSP Funds also closely tracked the BTC Accounts for the year, except for the International Fund due to higher trading costs.

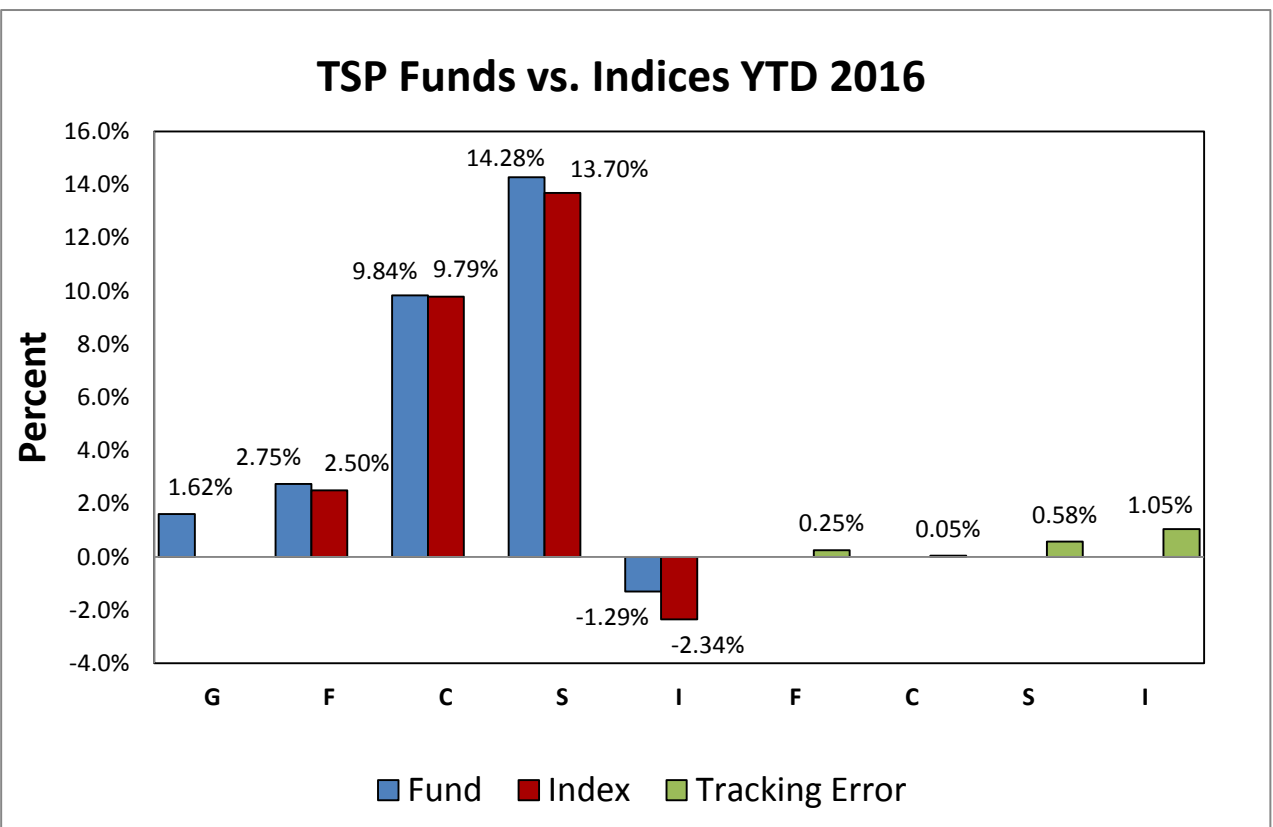
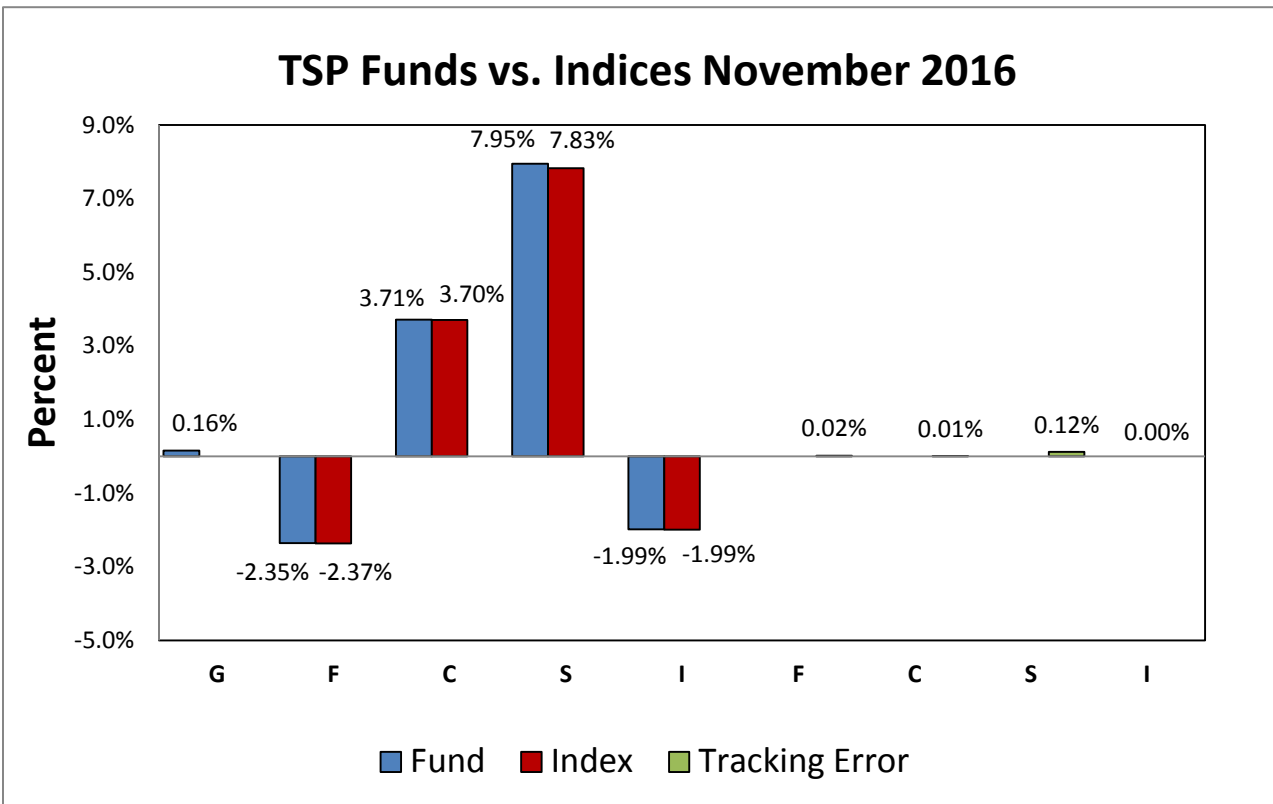
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
November	996,158,223	54,111	0.5
Year-to-Date	8,454,888,184	717,334	0.8
<u>C Fund</u>			
November	3,555,317,487	638,600	1.8
Year-to-Date	22,453,372,845	(1,668,168)	-0.7
<u>S Fund</u>			
November	3,359,449,938	(155,172)	-0.5
Year-to-Date	18,972,460,623	(3,424,657)	-1.8
<u>I Fund</u>			
November	1,034,541,542	2,211,085	21.4
Year-to-Date	15,990,386,226	11,741,346	7.3

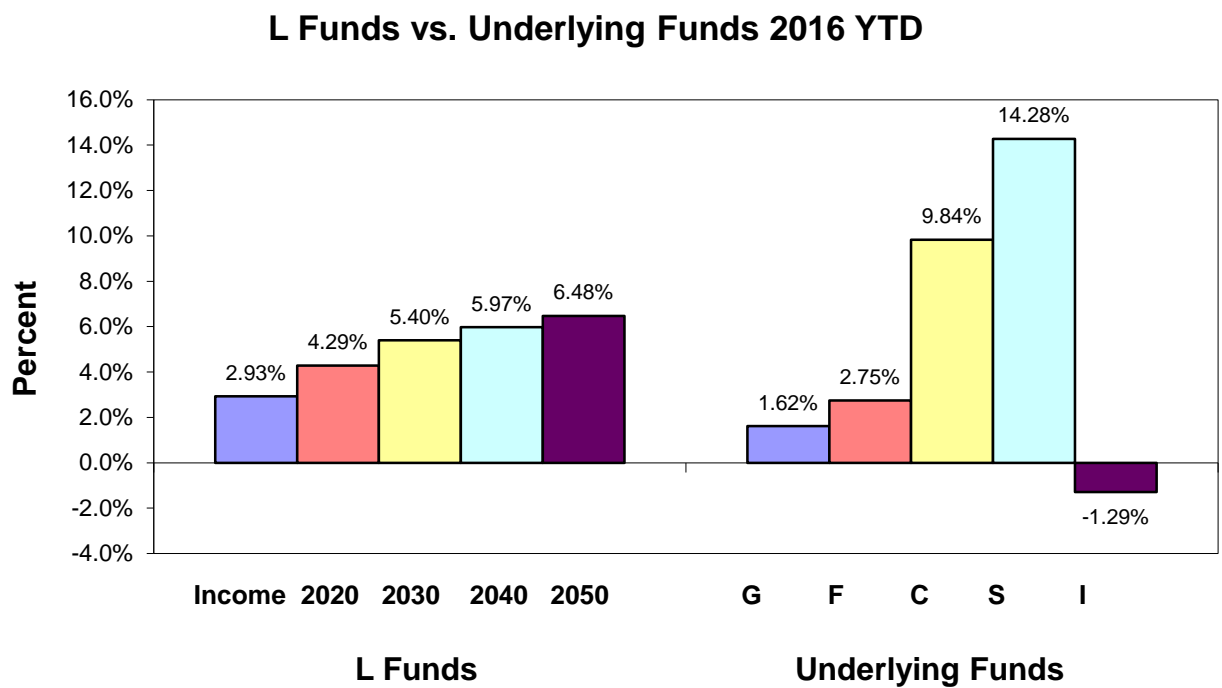
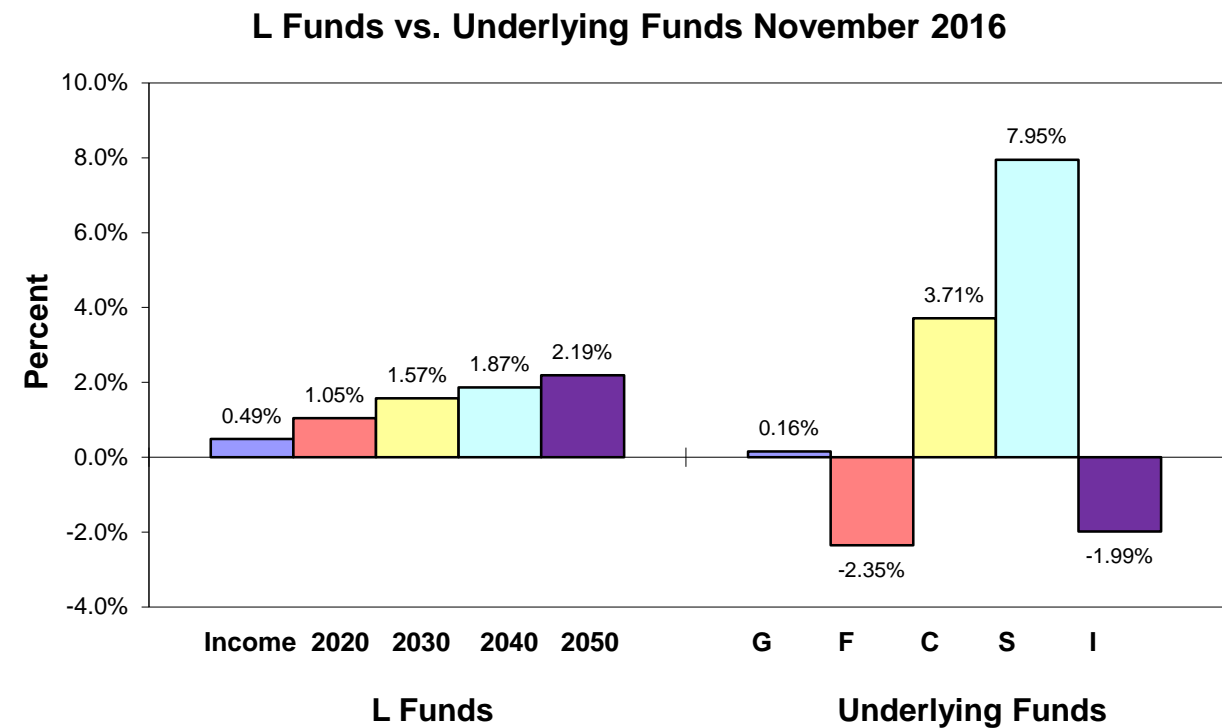
* -- Trading Costs are comprised of commissions, fees, and the difference between where a security is traded and the closing index price.

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.

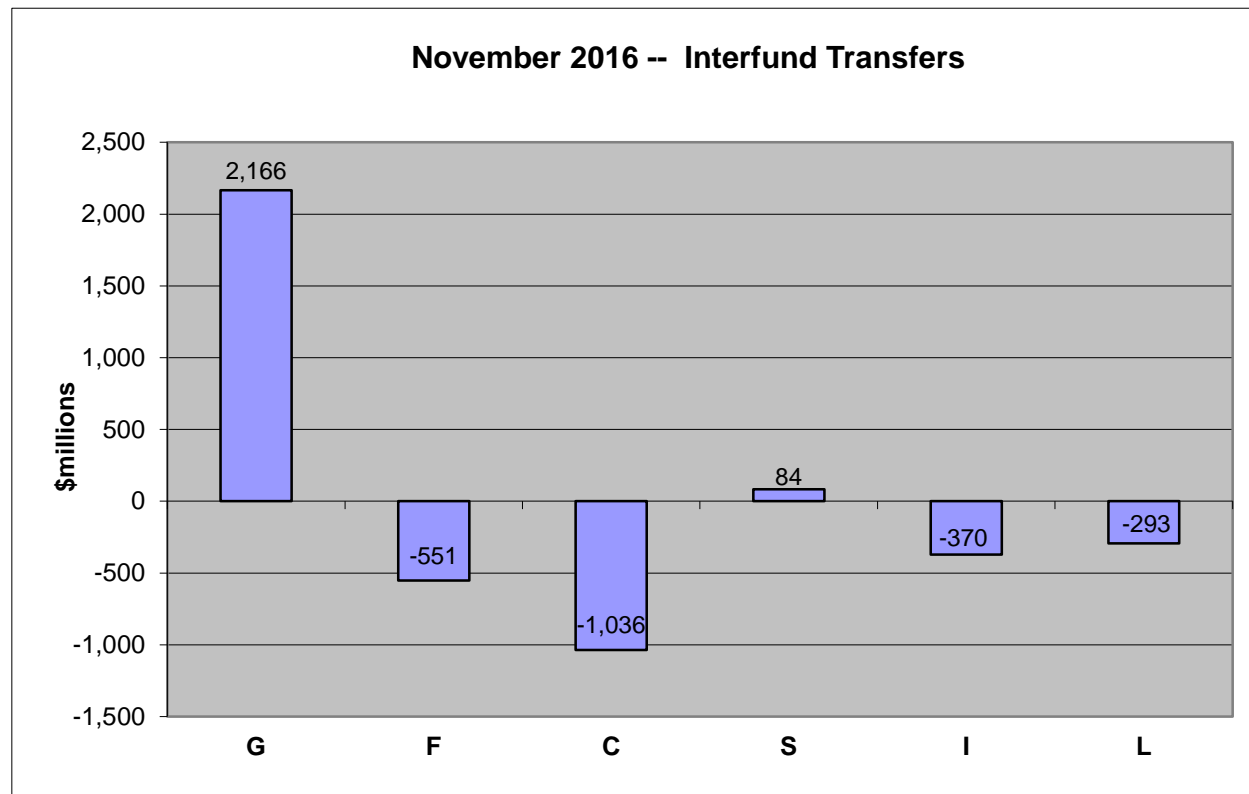
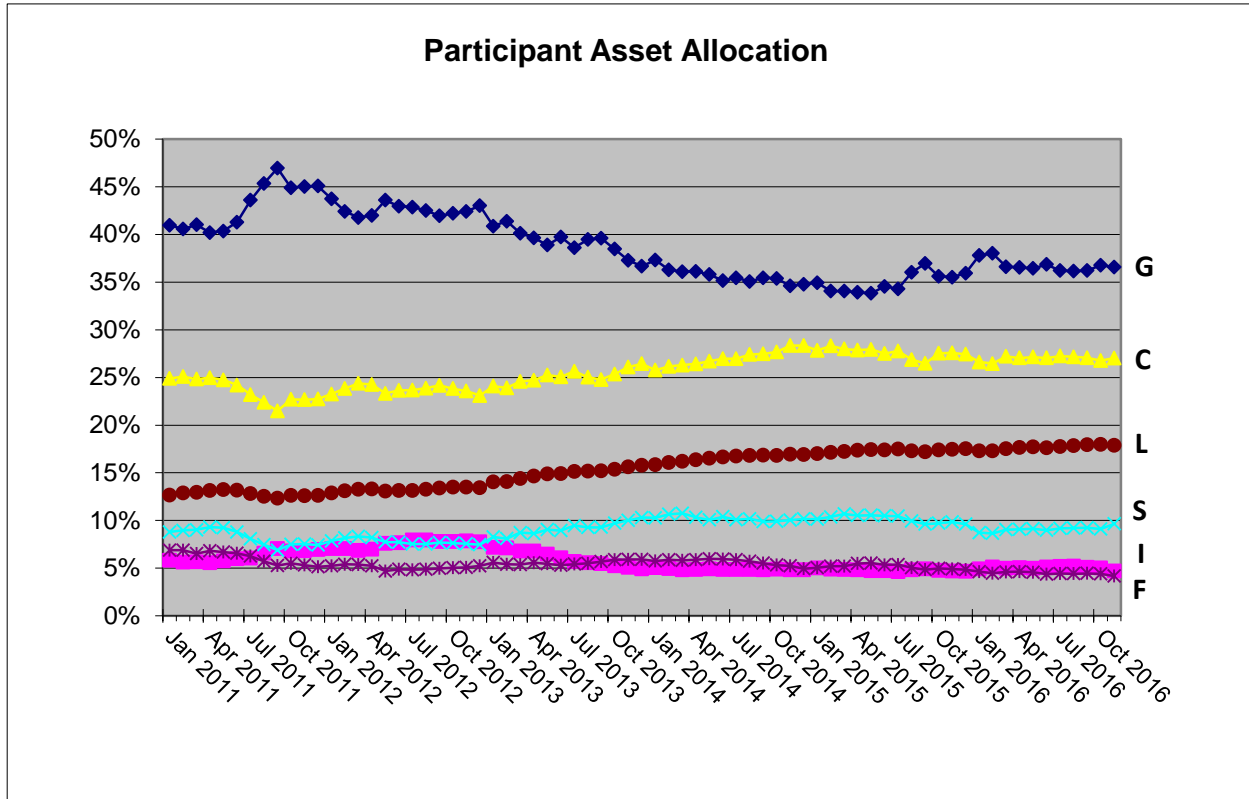


The net rates of return for the L Funds are shown below along with comparable returns for the G, F, C, S, and I Funds.



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
November 2016

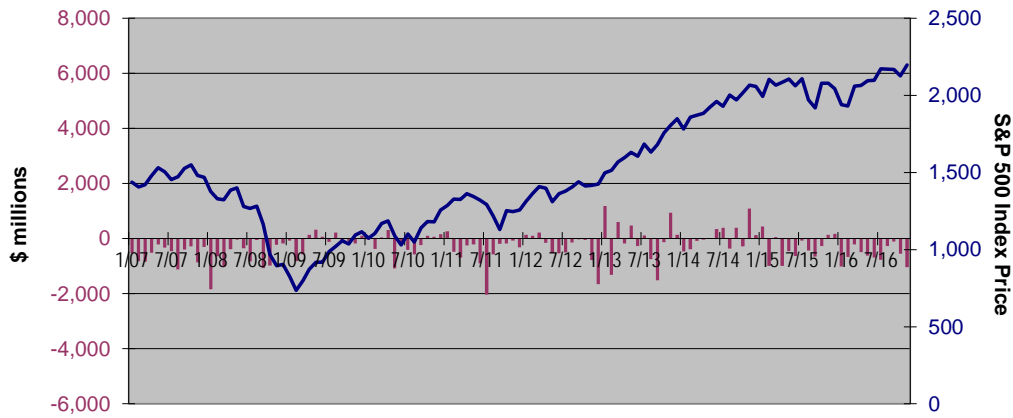
Attachment 1



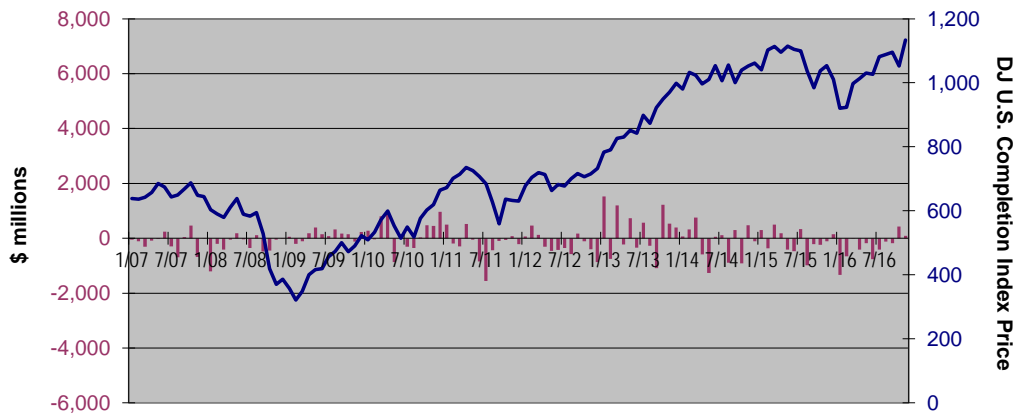
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

November 2016

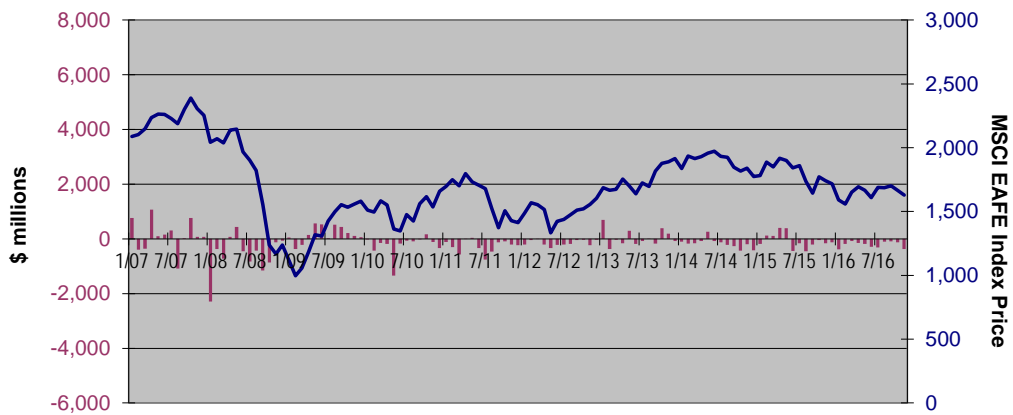
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



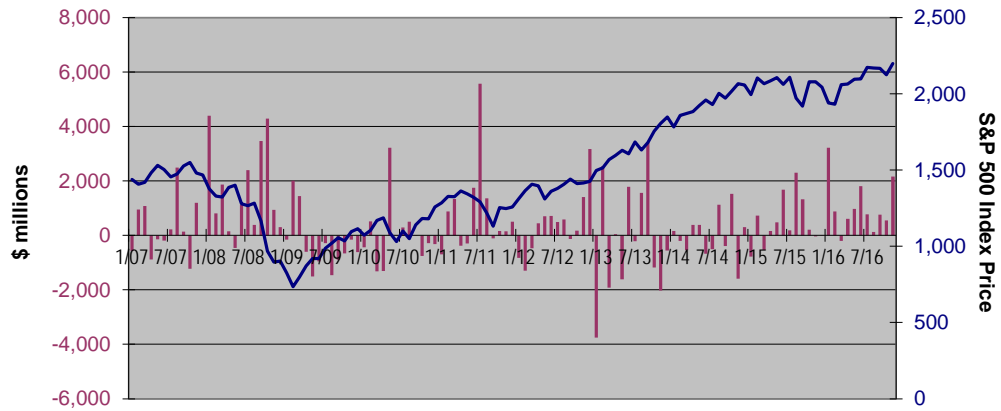
Monthly Interfund Transfers
I Fund



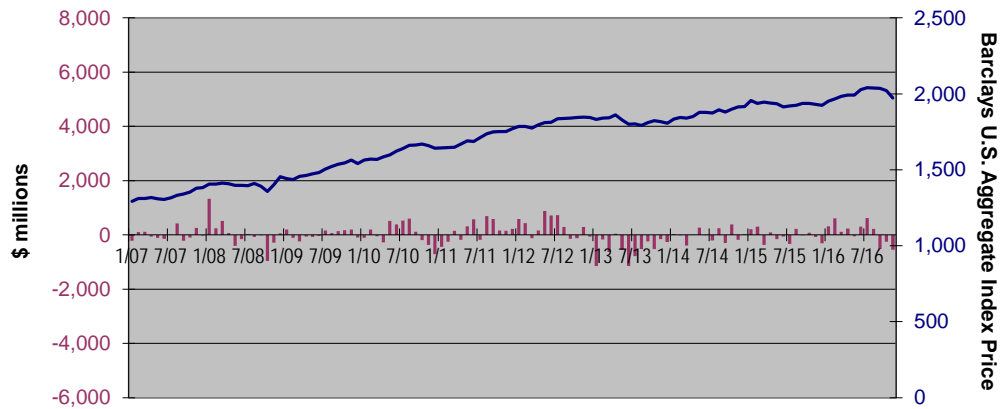
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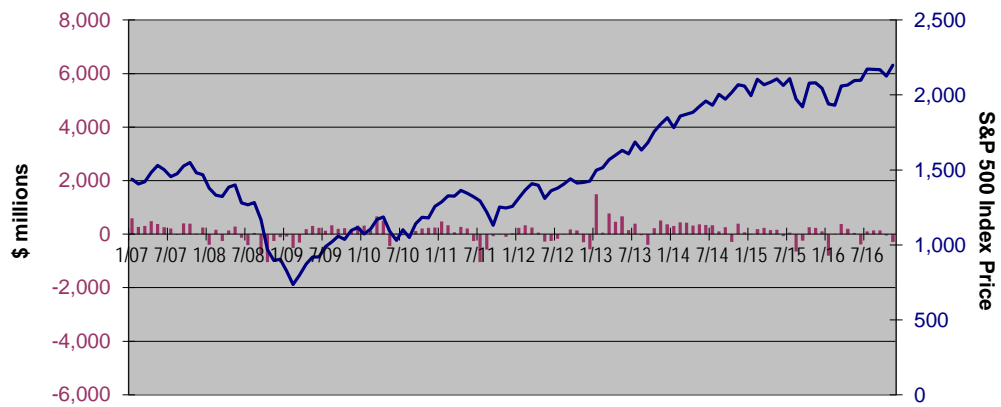
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

November 2016

