



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

June 7, 2016

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
ACTING CHIEF INVESTMENT OFFICER

A handwritten signature in black ink, appearing to read "SM", located to the right of the "FROM:" line.

SUBJECT: May 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	0.08	0.08	0.03	0.06	0.00
Large Cap	1.80	1.80	1.80	0.01	0.00
Small Mid Cap	1.81	1.81	1.78	0.03	0.00
International	0.28	0.27	-0.91	1.19	-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	3.65	3.63	3.45	0.19	-0.02
Large Cap	3.61	3.60	3.57	0.05	-0.02
Small Mid Cap	2.86	2.85	2.52	0.34	-0.02
International	-0.09	-0.12	-1.10	1.01	-0.03

BlackRock outperformed the International index by 119 basis points for the month due to fair value pricing on April 29, 2016 and 101 basis points for the year due to a fair value pricing adjustment on December 31, 2015. BlackRock outperformed the Fixed Income Index by 6 basis points for the month and 19 basis points for the year due to securities lending. BlackRock outperformed the Small Mid-Cap Index by 34 basis points for the year as a result of 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.

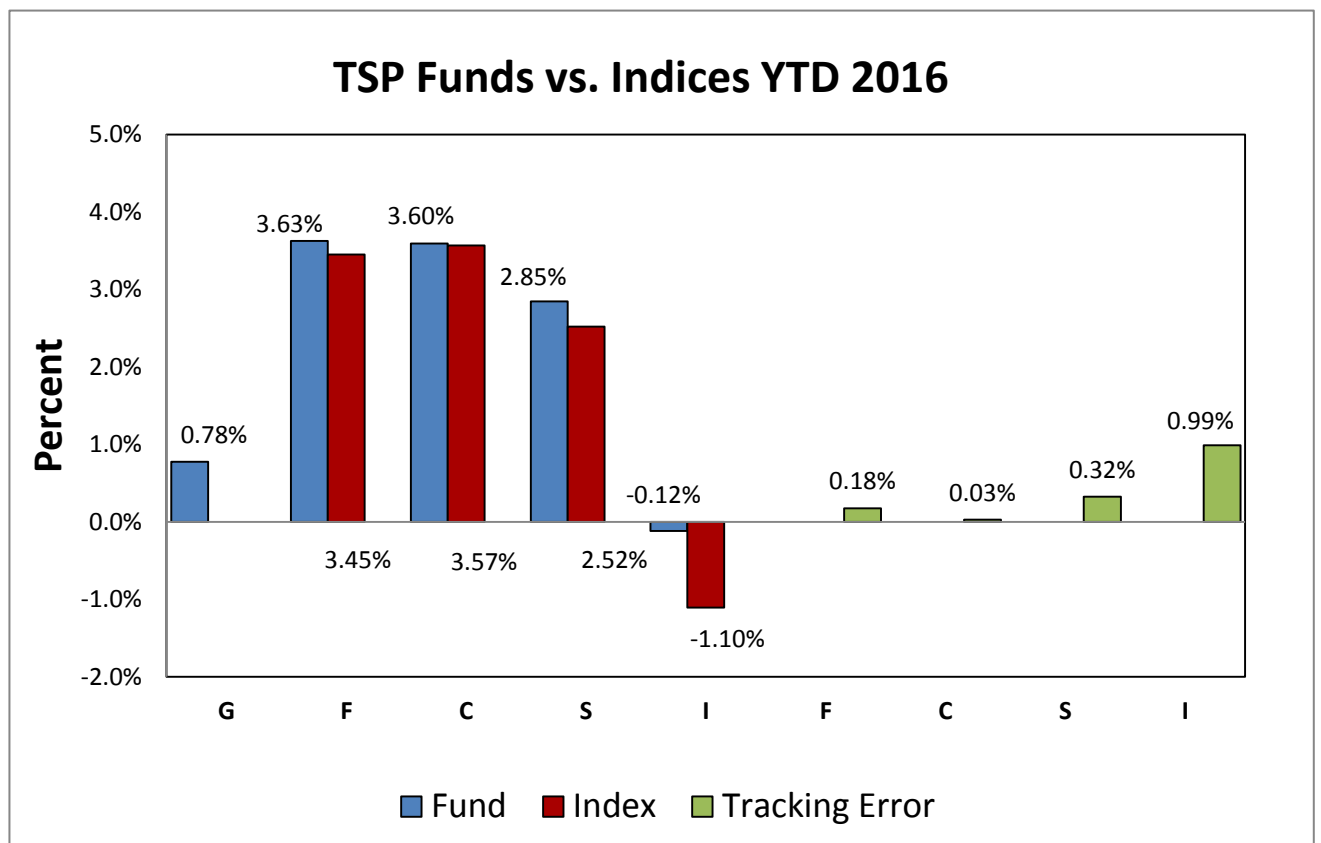
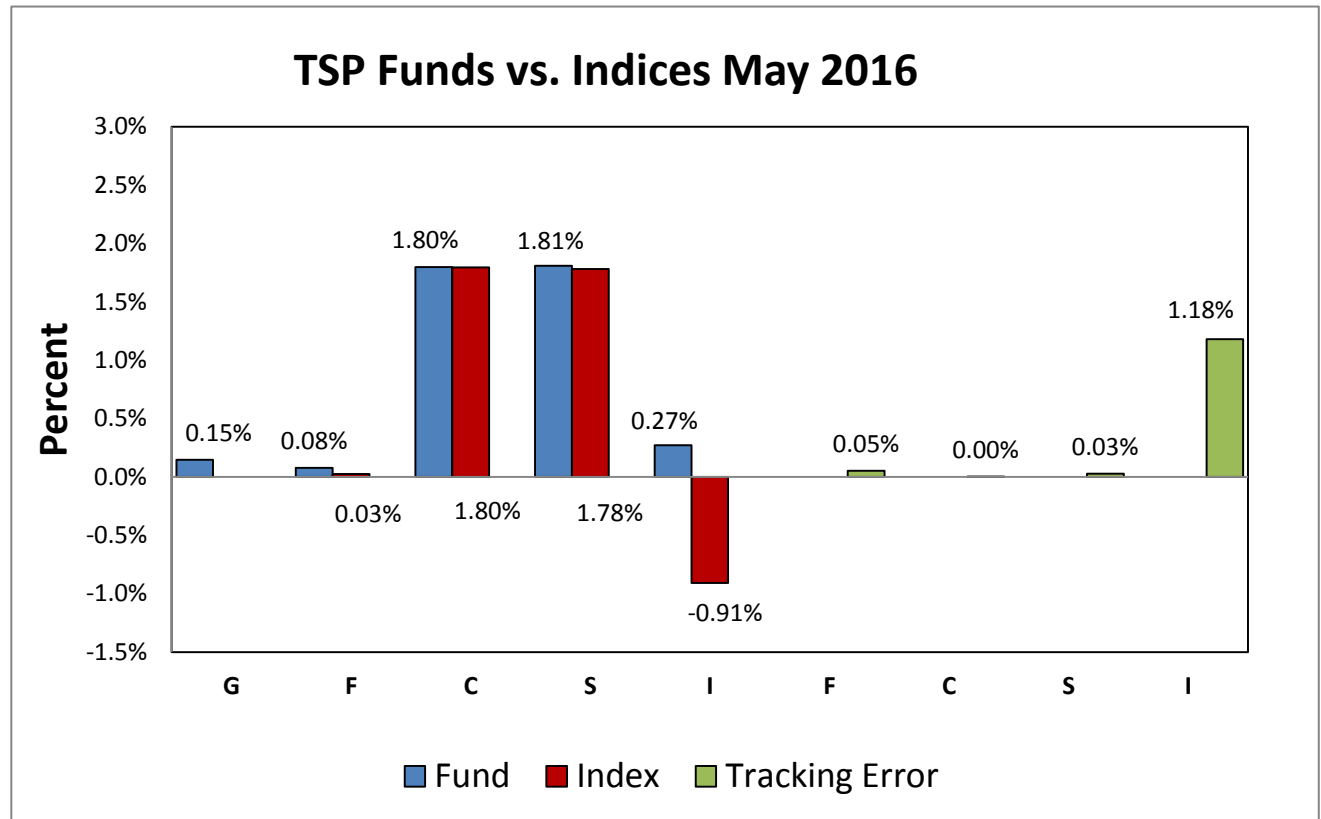
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
May	585,274,114	50,480	0.9
Year-to-Date	3,765,427,587	192,960	0.5
<u>C Fund</u>			
May	1,942,669,104	221,737	1.1
Year-to-Date	10,833,452,801	(35,104)	0.0
<u>S Fund</u>			
May	1,378,149,562	41,642	0.3
Year-to-Date	7,795,397,382	299,273	0.4
<u>I Fund</u>			
May	1,065,352,732	992,643	9.3
Year-to-Date	6,776,798,456	2,816,599	4.2

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

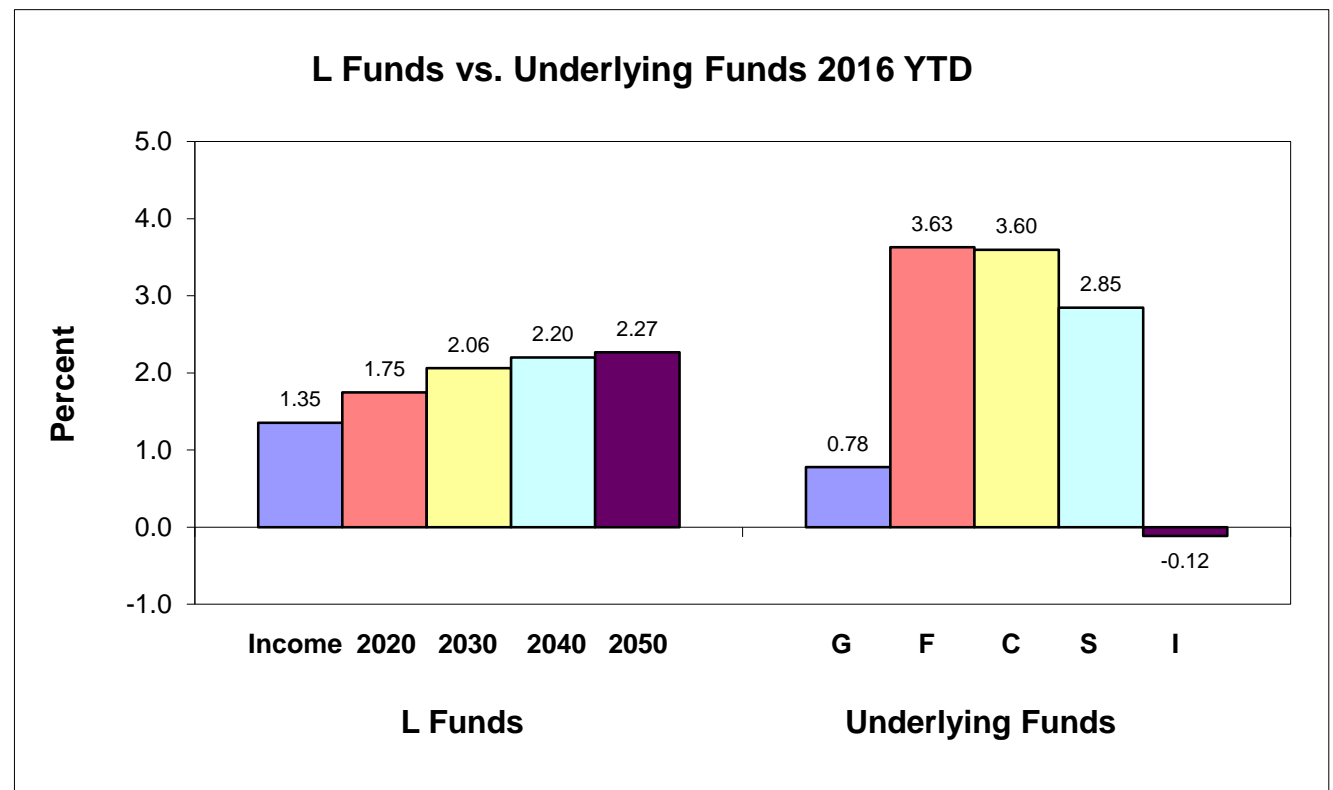
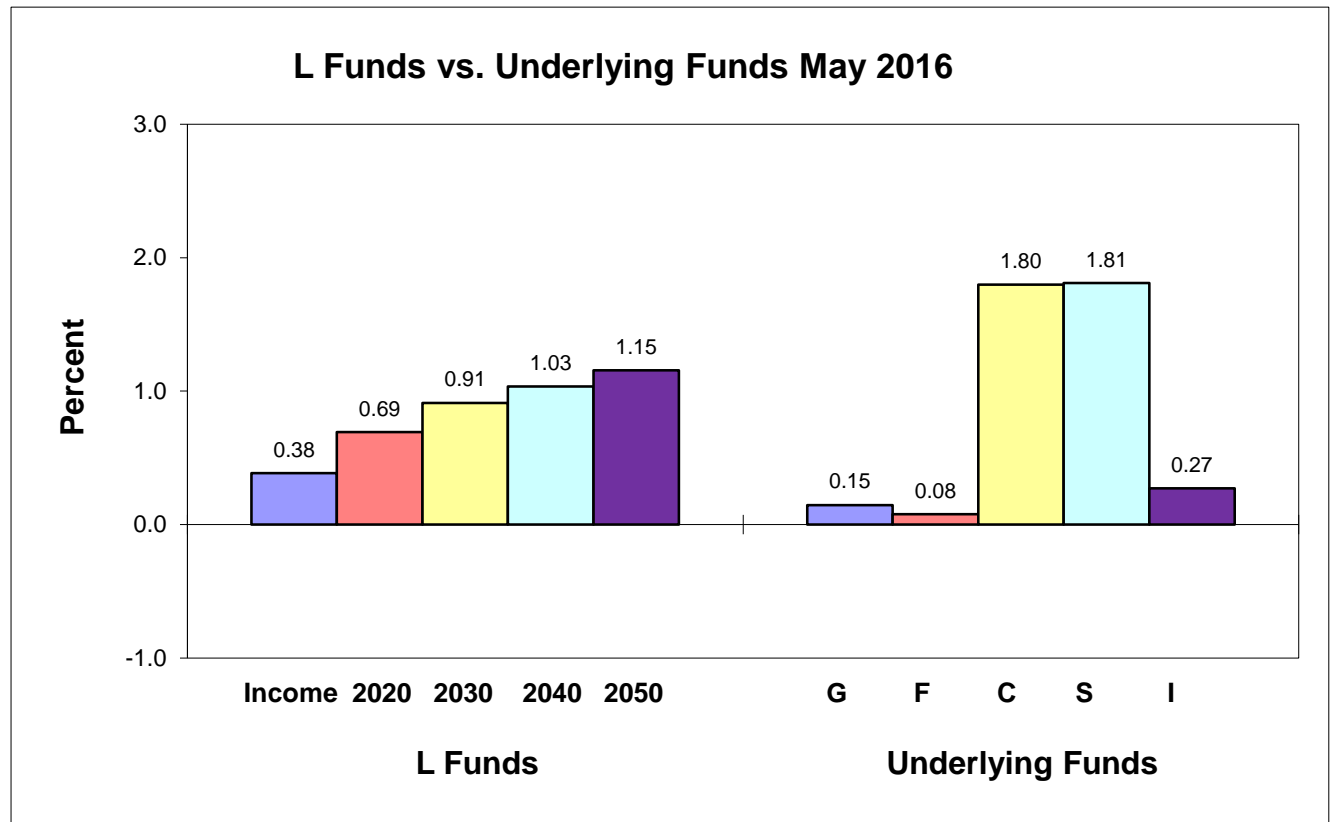
Performance of TSP Funds Total Returns

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



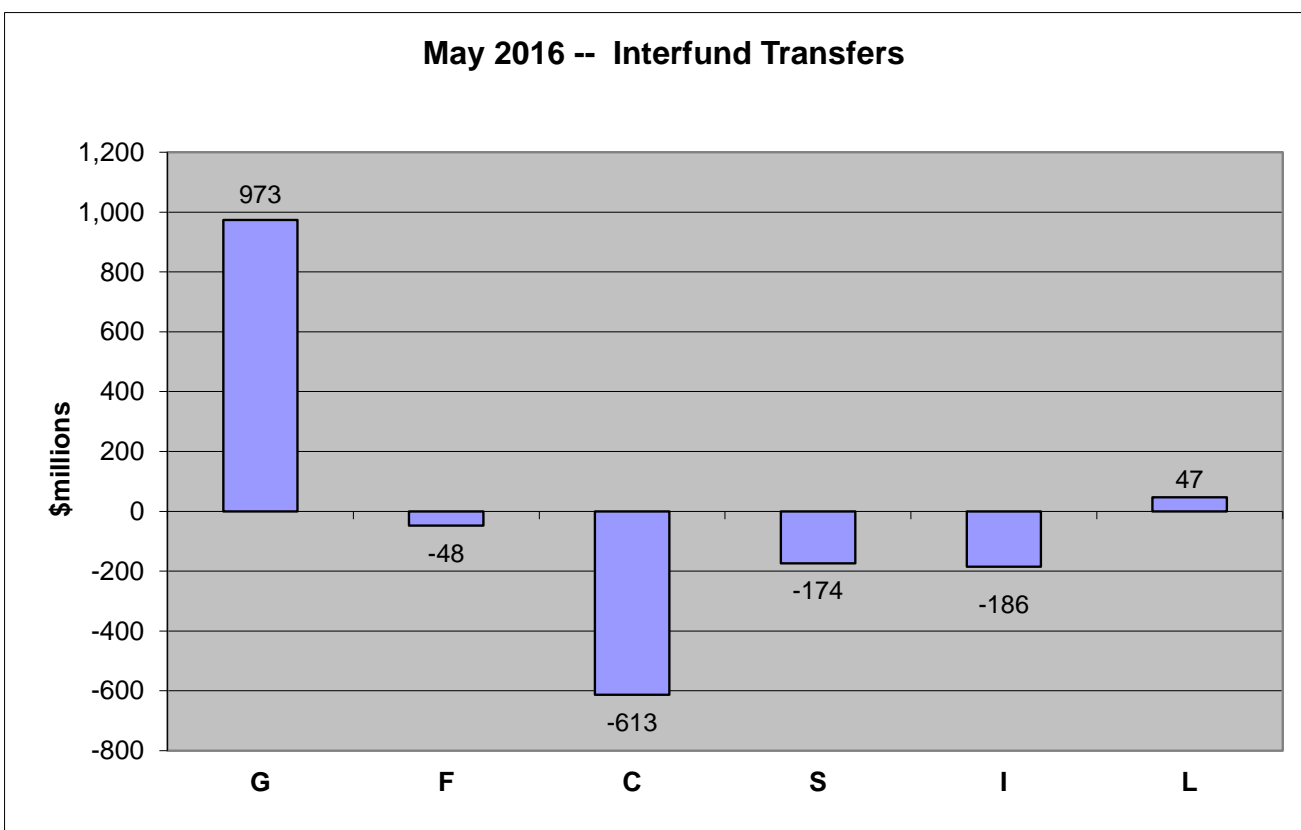
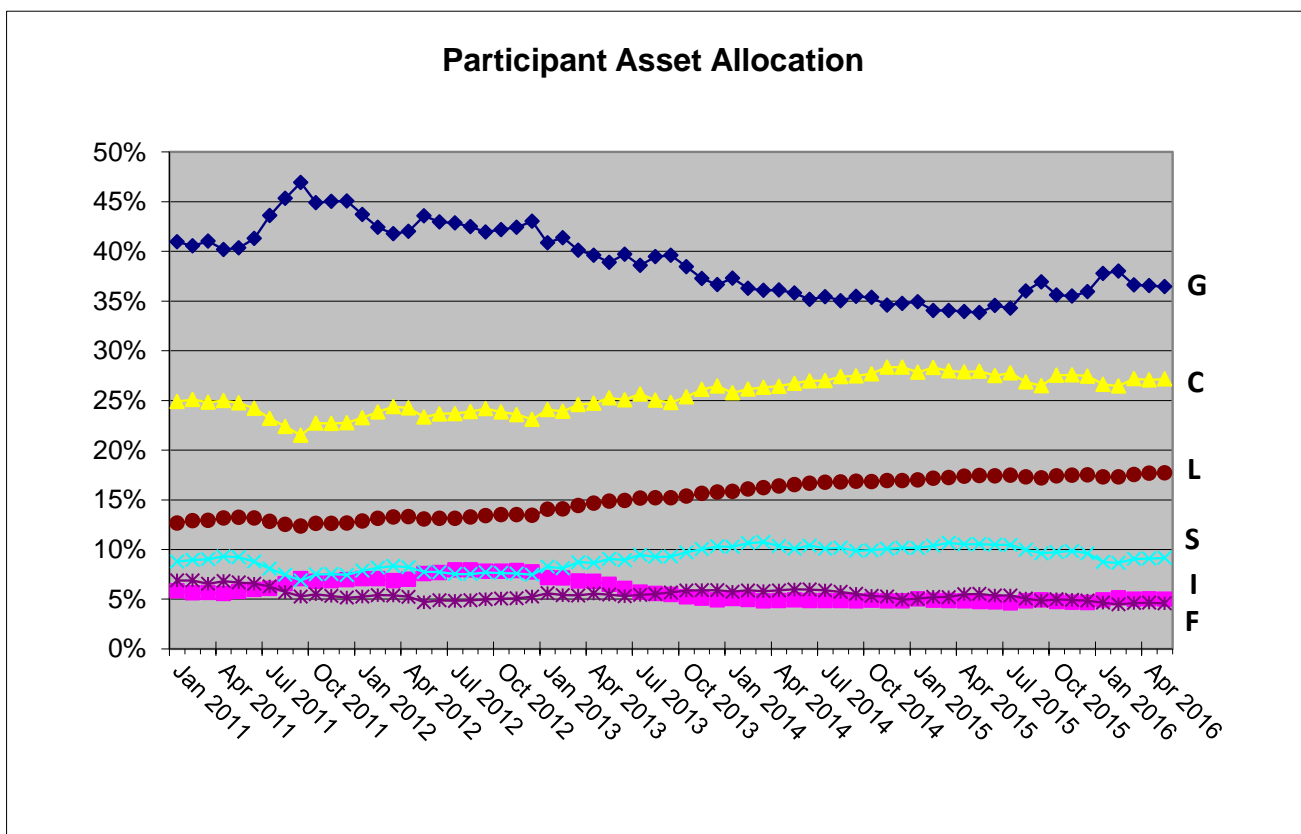
L Funds

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.



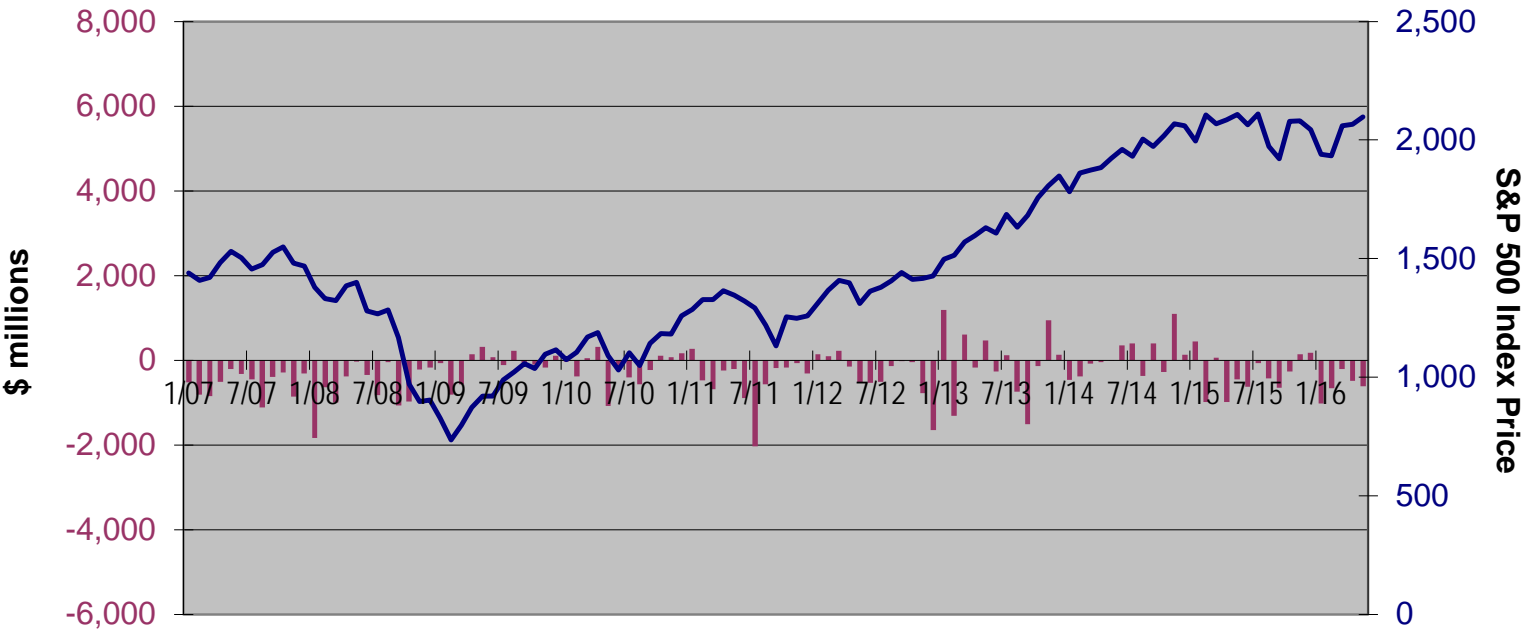
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY May 2016

Attachment 1

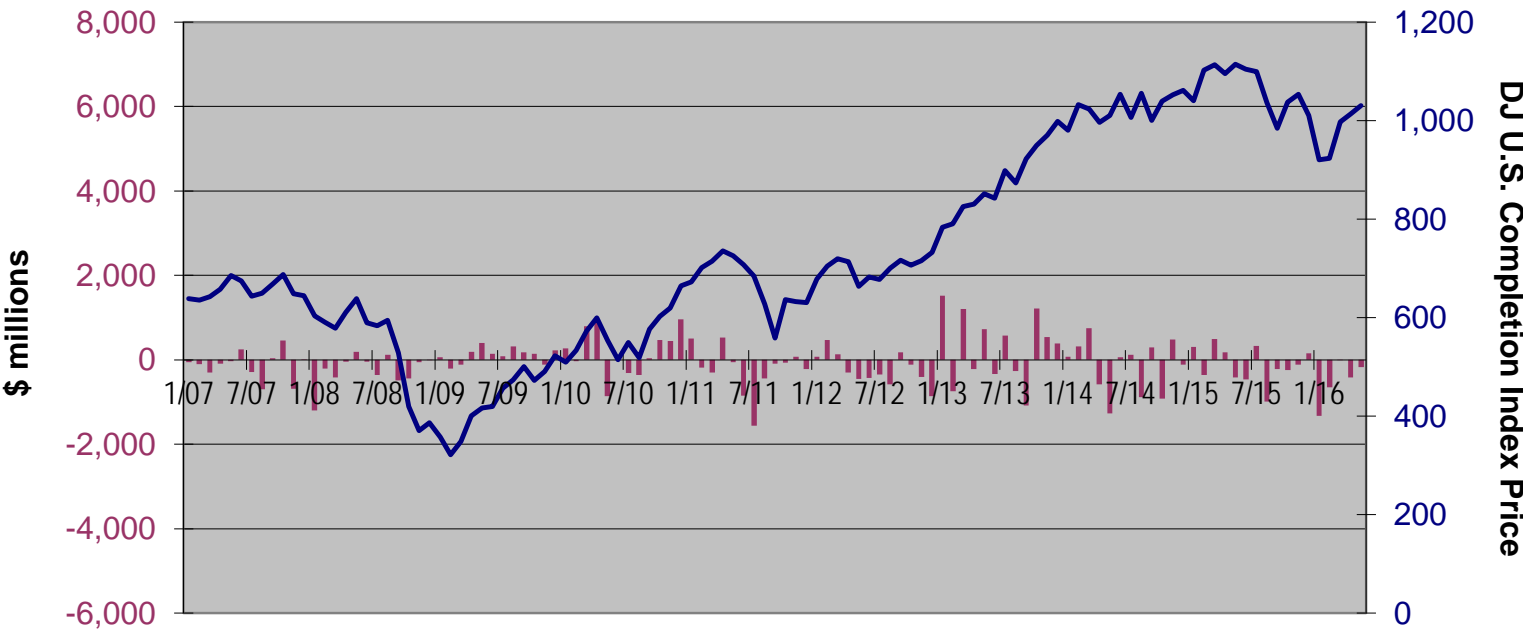


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May 2016

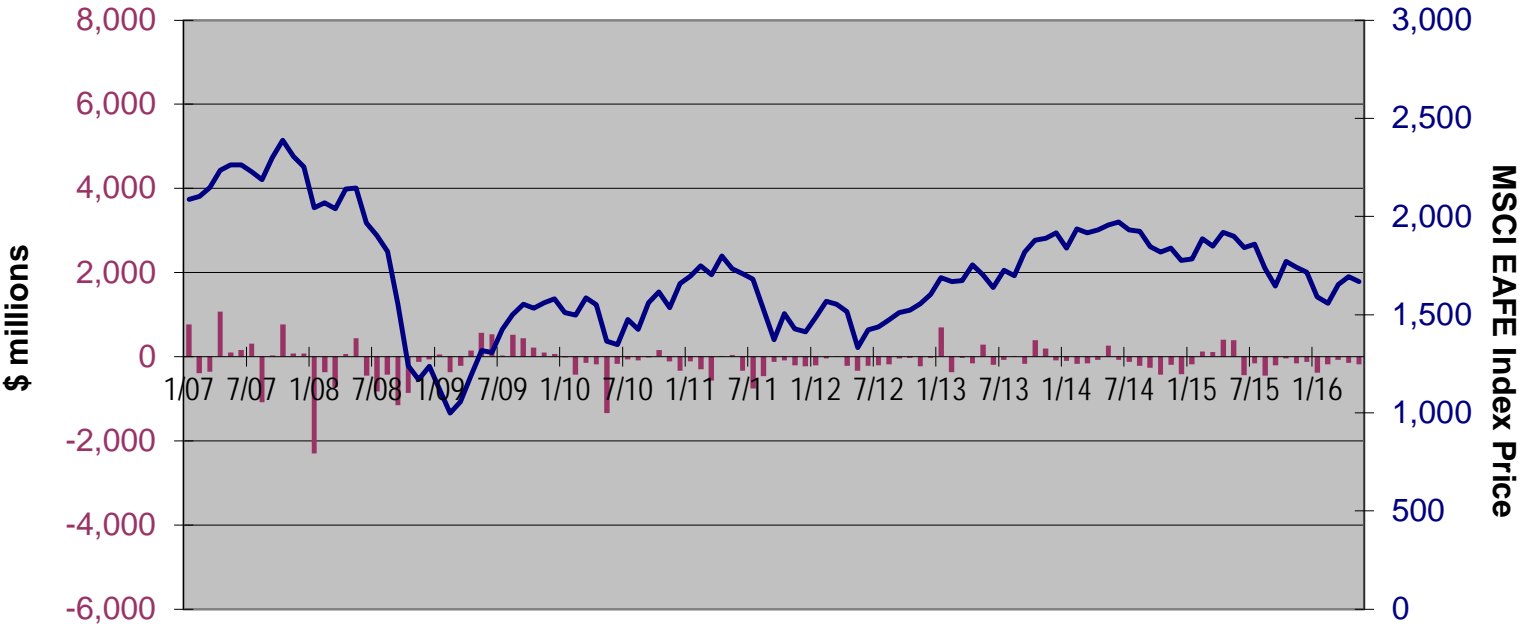
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund

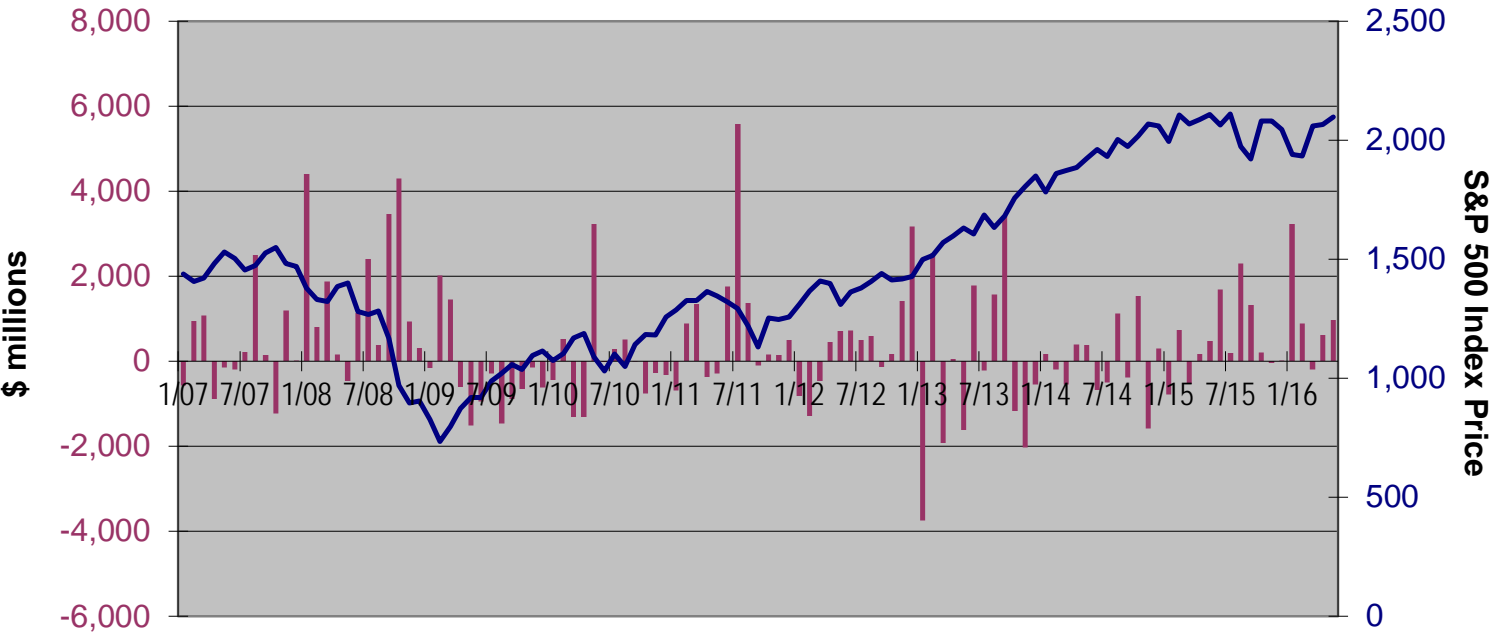


Monthly Interfund Transfers
I Fund

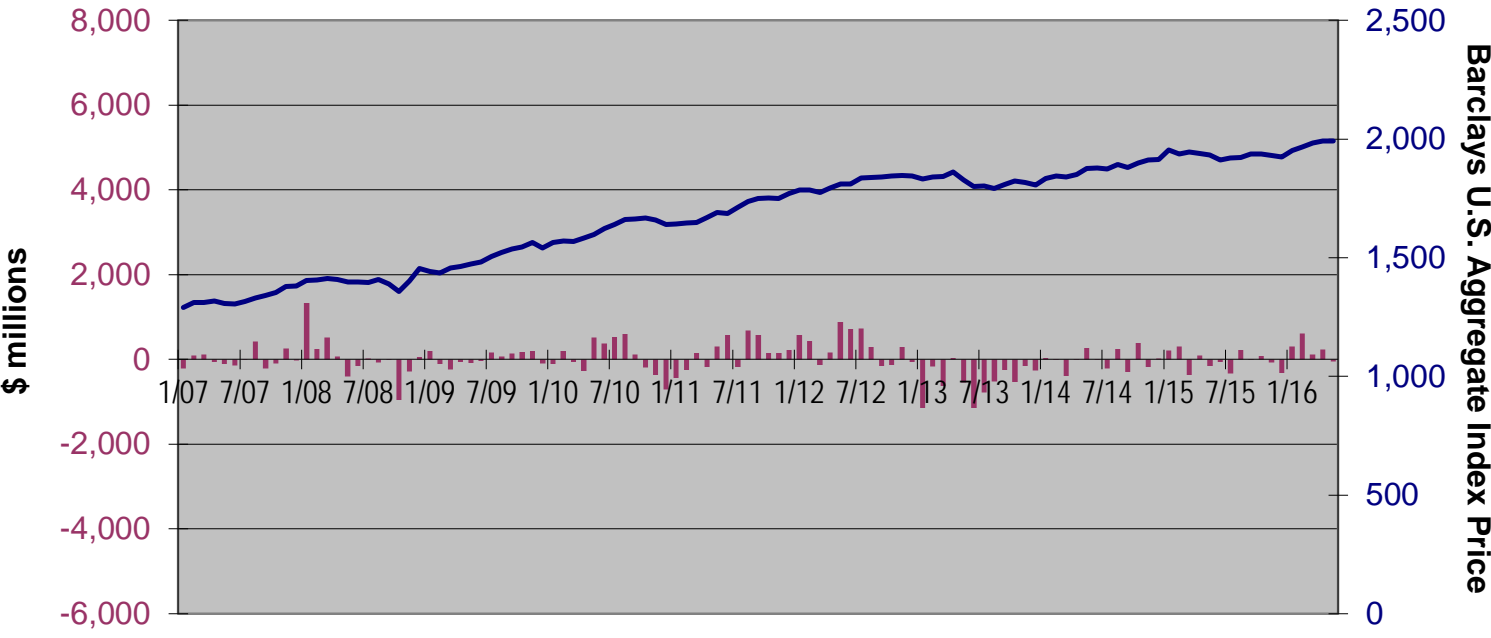


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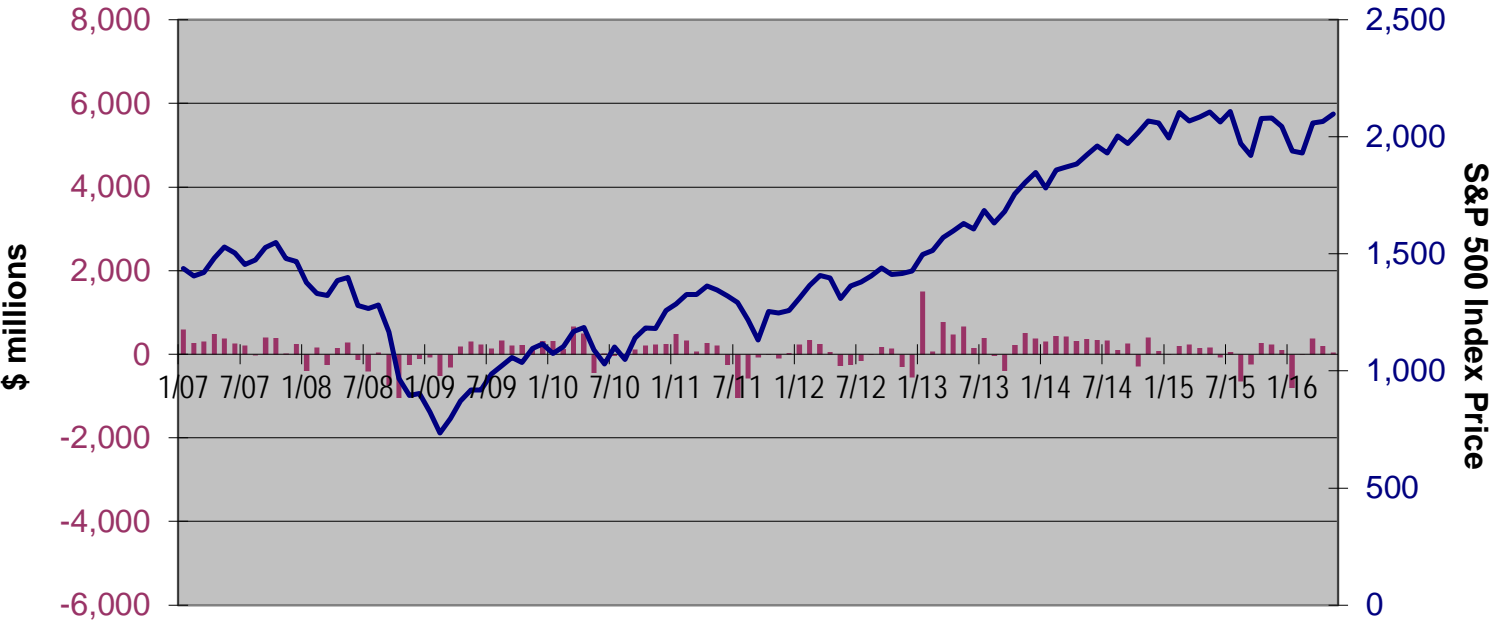
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



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May 2016

