



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

March 3, 2016

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: RAVINDRA DEO
CHIEF INVESTMENT OFFICER

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SUBJECT: February 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	0.69	0.68	0.71	-0.02	-0.01
Large Cap	-0.12	-0.12	-0.13	0.02	0.00
Small Mid Cap	0.51	0.50	0.45	0.06	0.00
International	-2.81	-2.82	-1.83	-0.98	-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	2.19	2.18	2.10	0.09	-0.01
Large Cap	-5.07	-5.07	-5.09	0.02	-0.01
Small Mid Cap	-8.26	-8.26	-8.42	0.17	-0.01
International	-8.27	-8.28	-8.93	0.66	-0.01

BlackRock underperformed the International index by 98 basis points for the month due to fair value pricing adjustment on January 29, 2016, but BlackRock outperformed the International Index by 66 basis points for the year as a result of fair value pricing on December 31, 2015. BlackRock outperformed the Small Mid-Cap Index by 6 basis points for the month and 17 basis points for the year as a result of securities lending. BlackRock outperformed the Fixed Income Index by 9 basis points for the year 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.

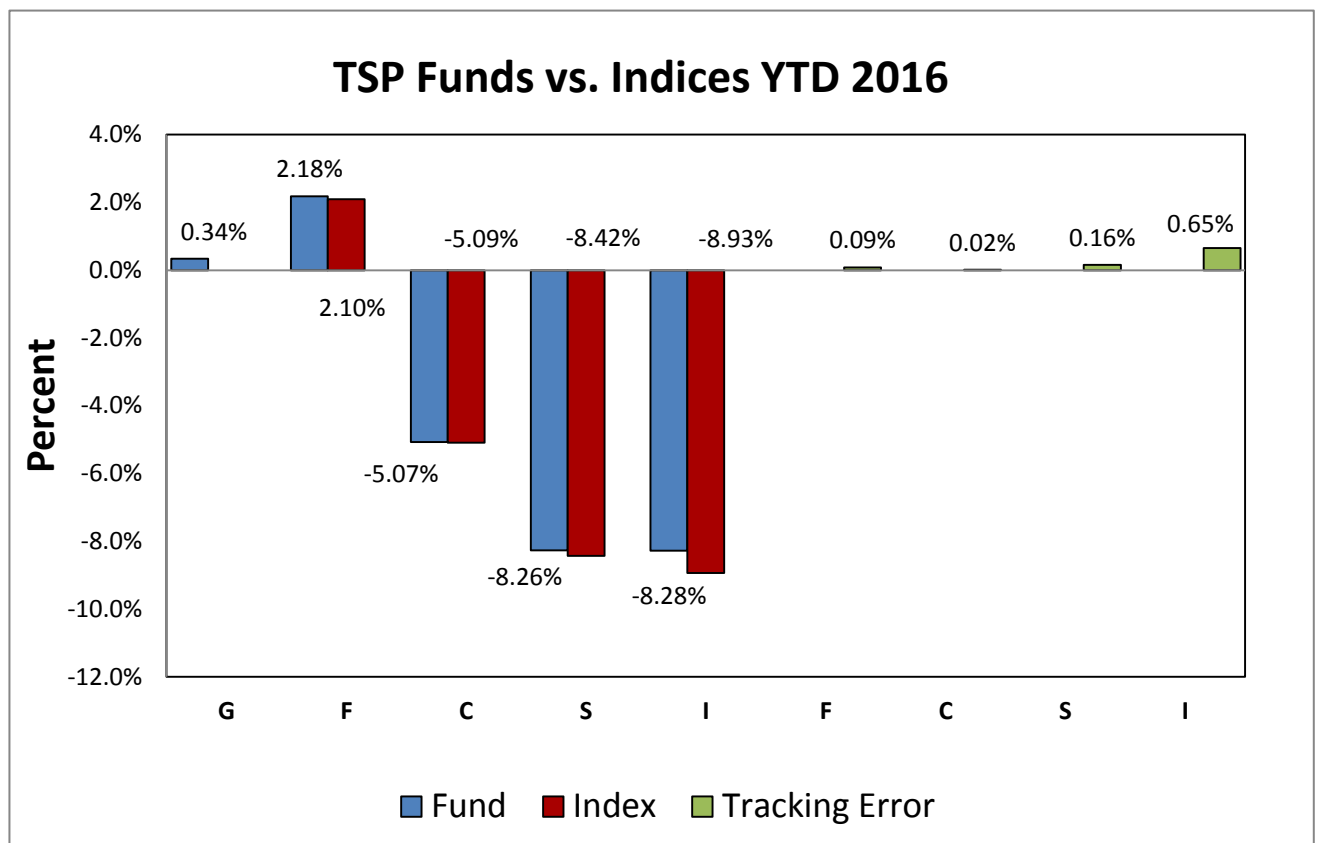
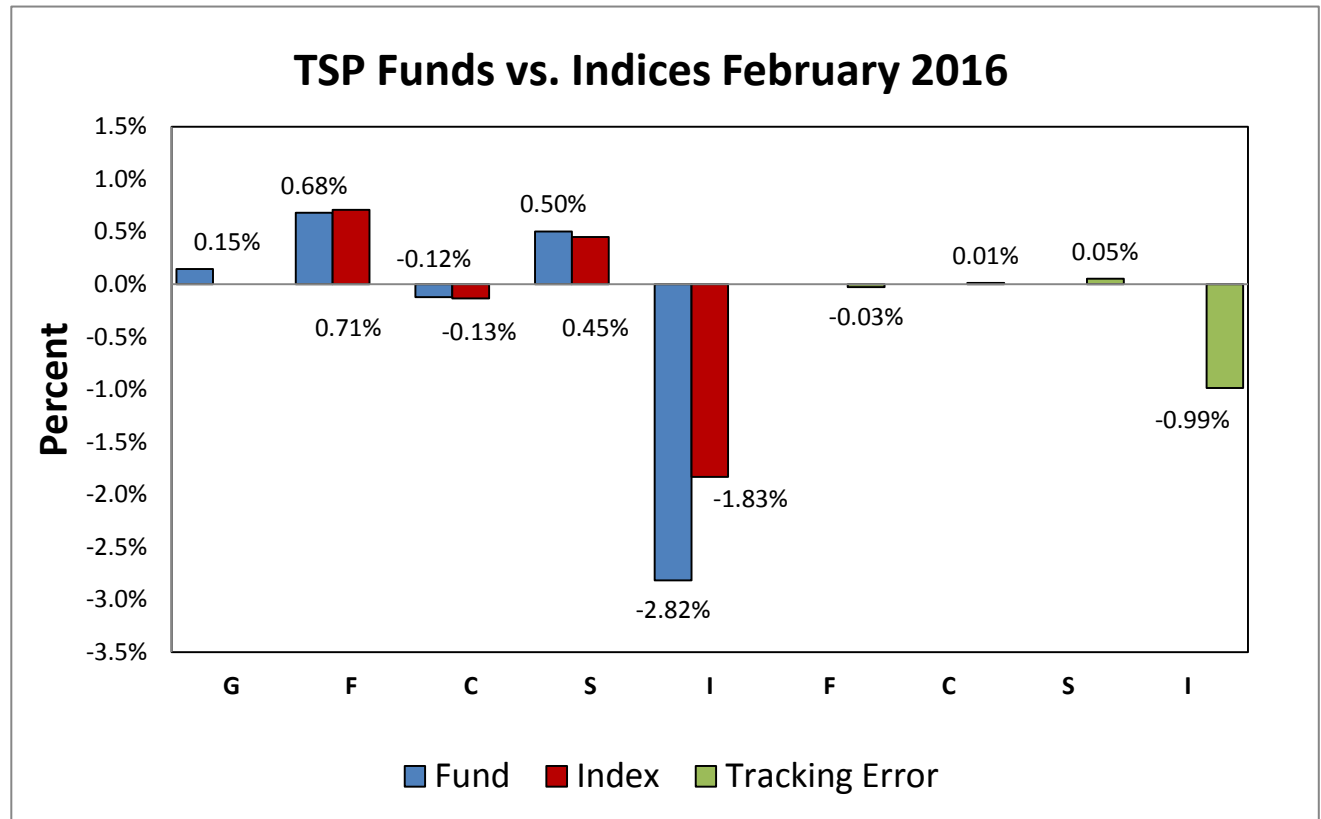
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
February 2016	771,552,188	71,104	0.9
Year-to-Date	1,915,892,626	68,929	0.4
<u>C Fund</u>			
February 2016	1,688,187,417	(722,576)	-4.3
Year-to-Date	5,364,731,791	150,144	0.3
<u>S Fund</u>			
February 2016	1,108,181,516	(727,879)	-6.6
Year-to-Date	4,003,634,361	566,017	1.4
<u>I Fund</u>			
February 2016	1,267,436,809	1,508,090	11.9
Year-to-Date	3,068,823,892	1,756,604	5.7

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

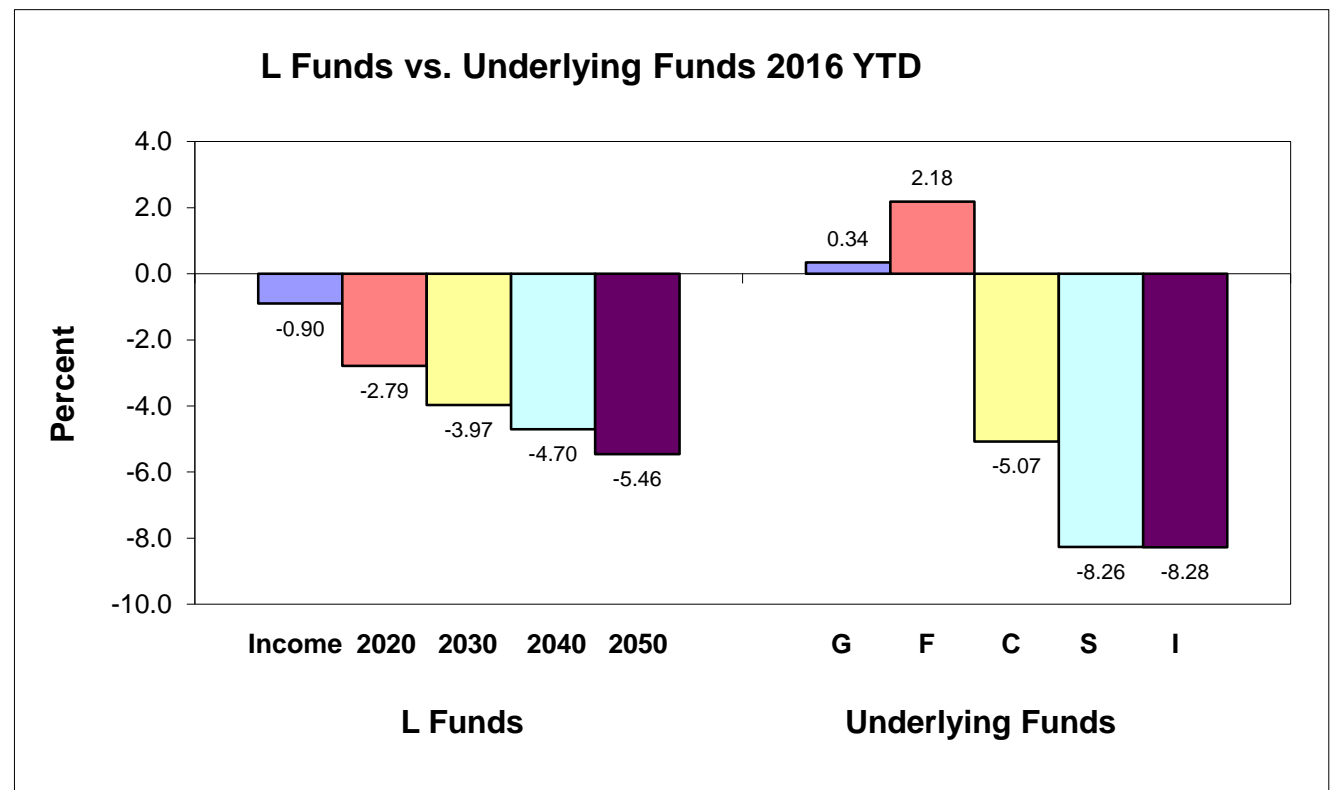
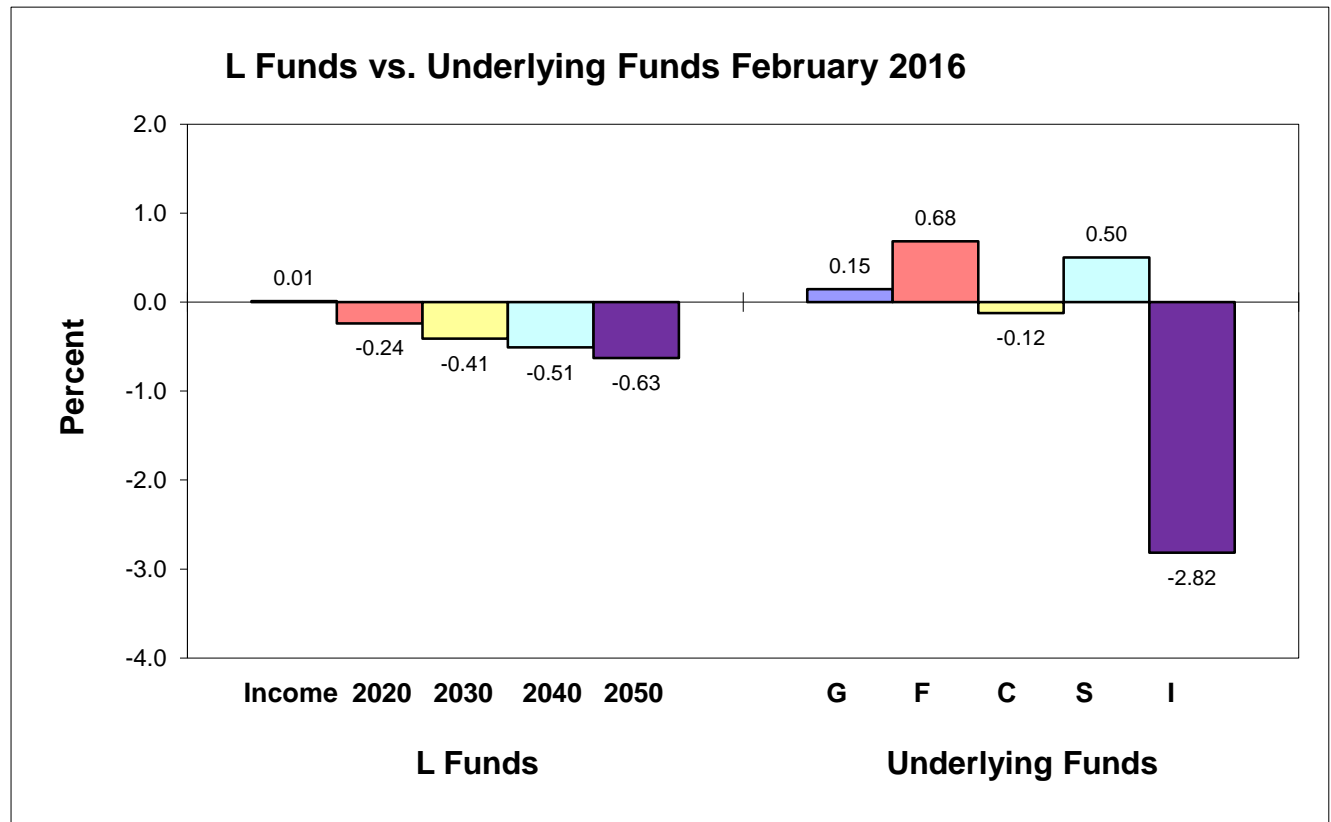
Performance of TSP Funds Total Returns

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



L Funds

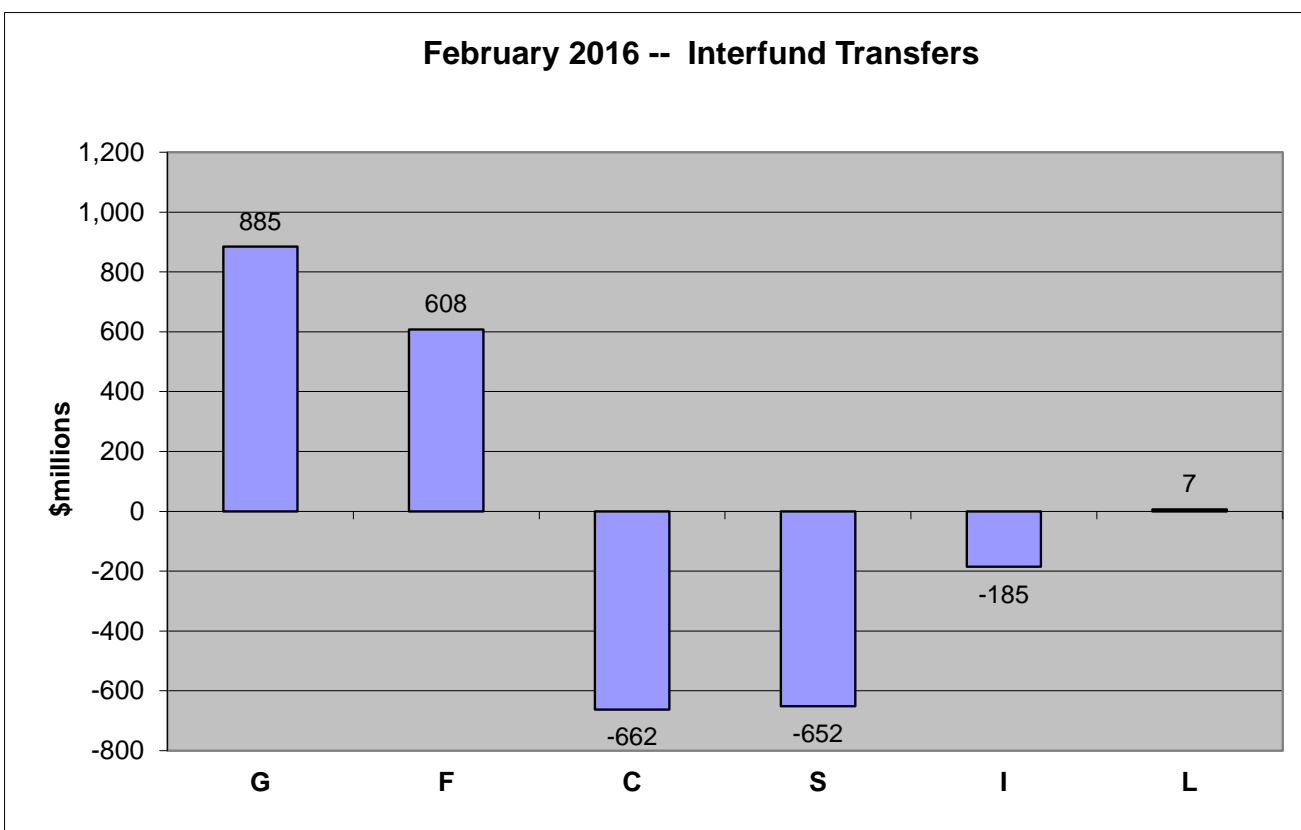
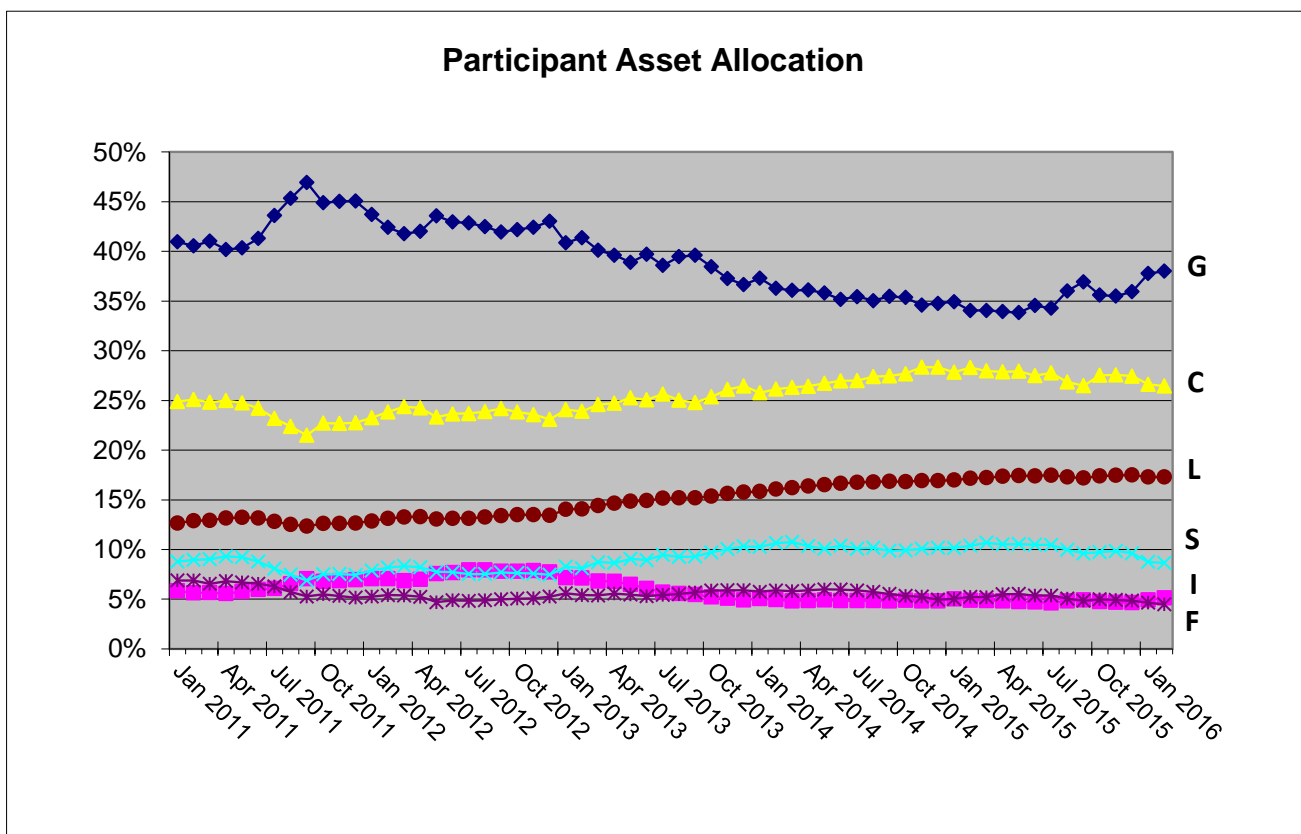
The net rates of return for the L Funds are shown below along with comparable returns for the G, F, C, S, and I Funds.



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2016

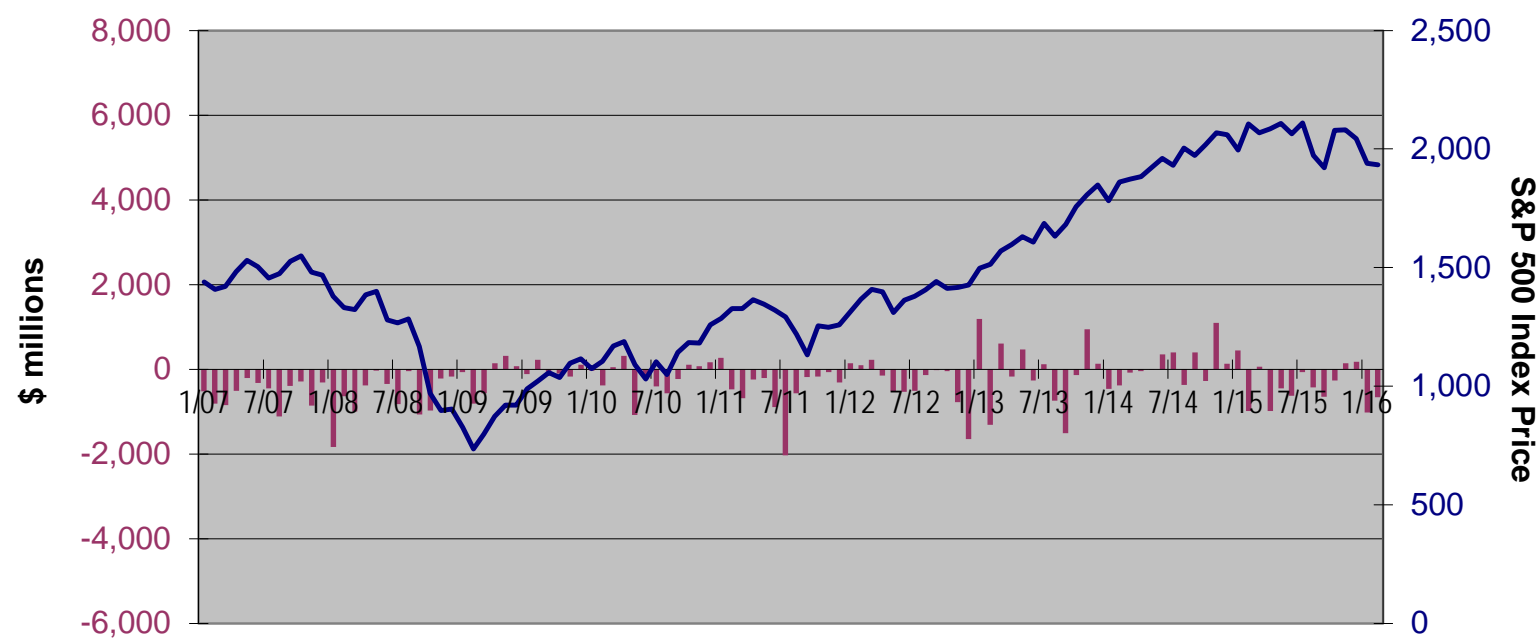
Attachment 1



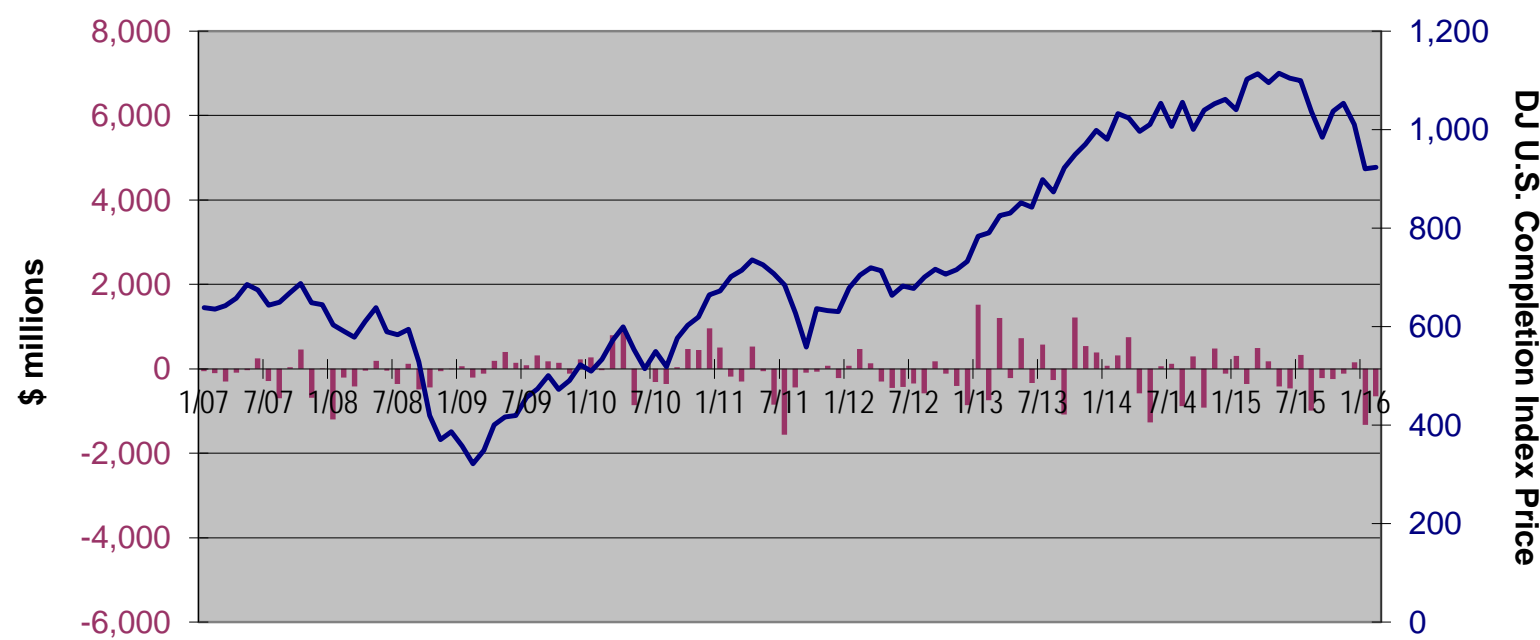
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February 2016

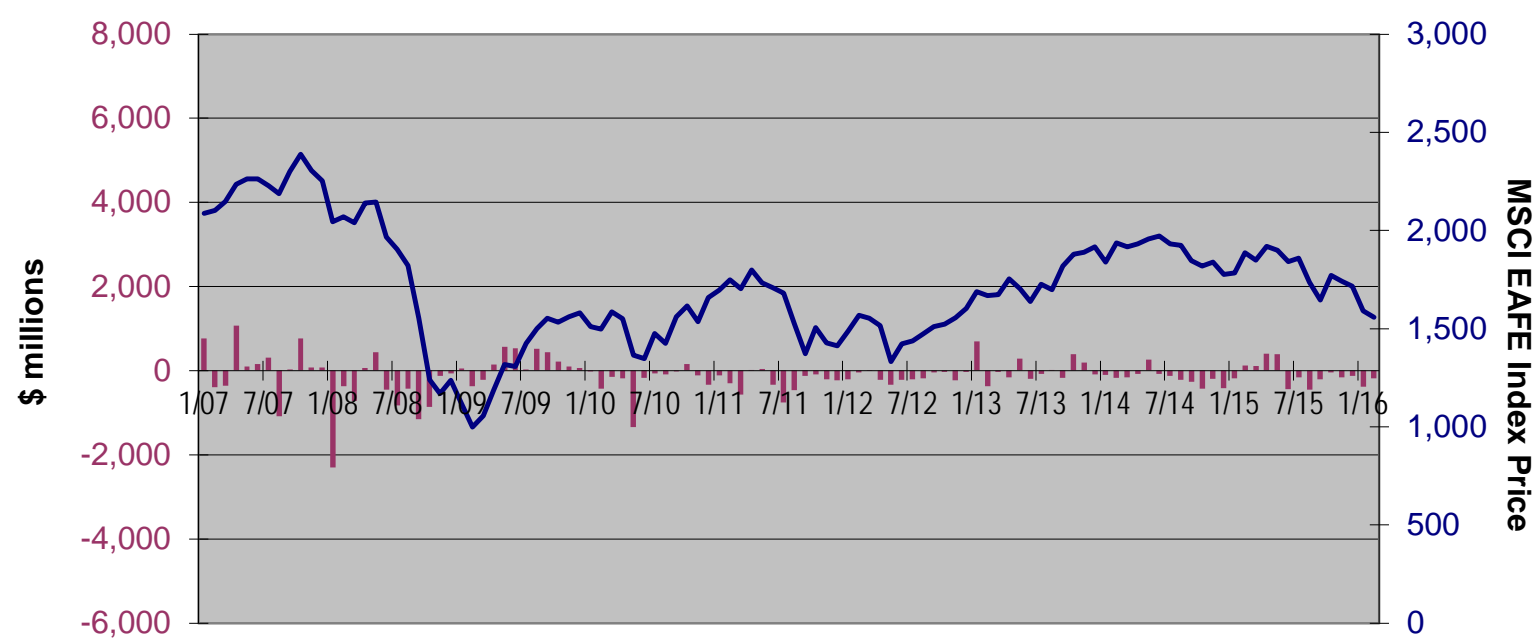
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund

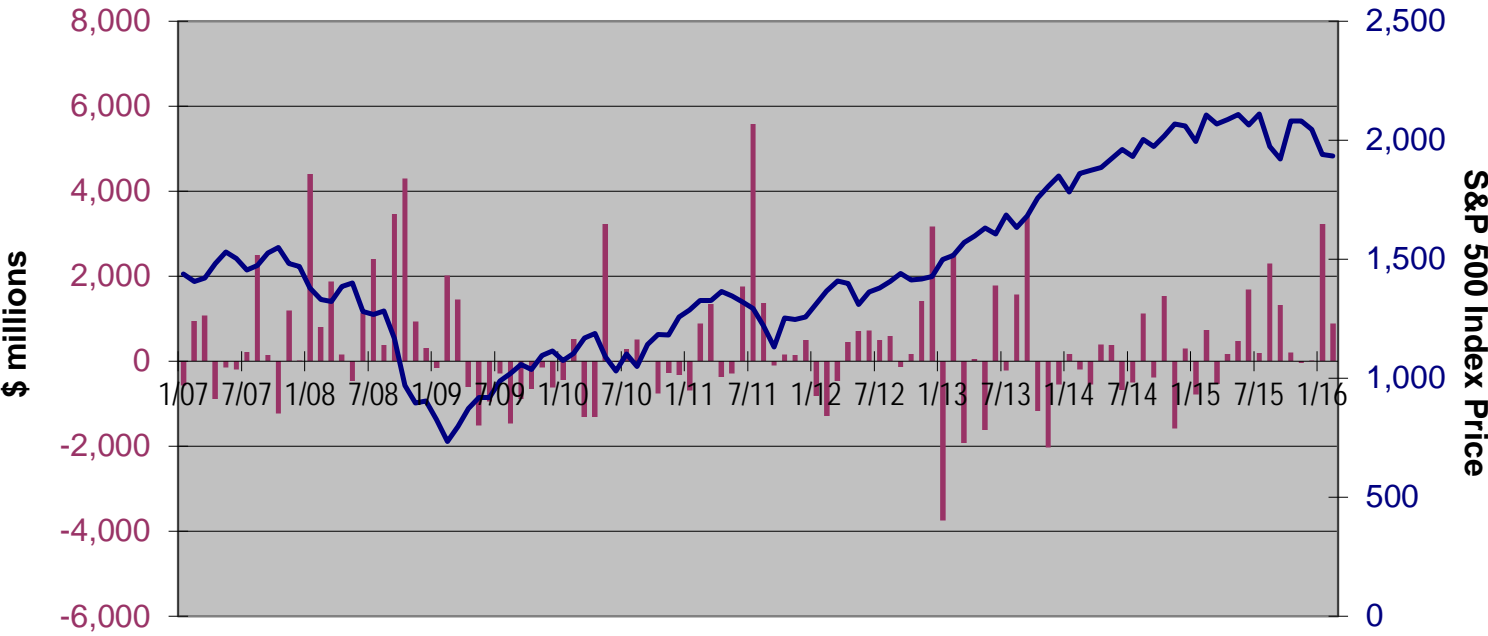


Monthly Interfund Transfers
I Fund

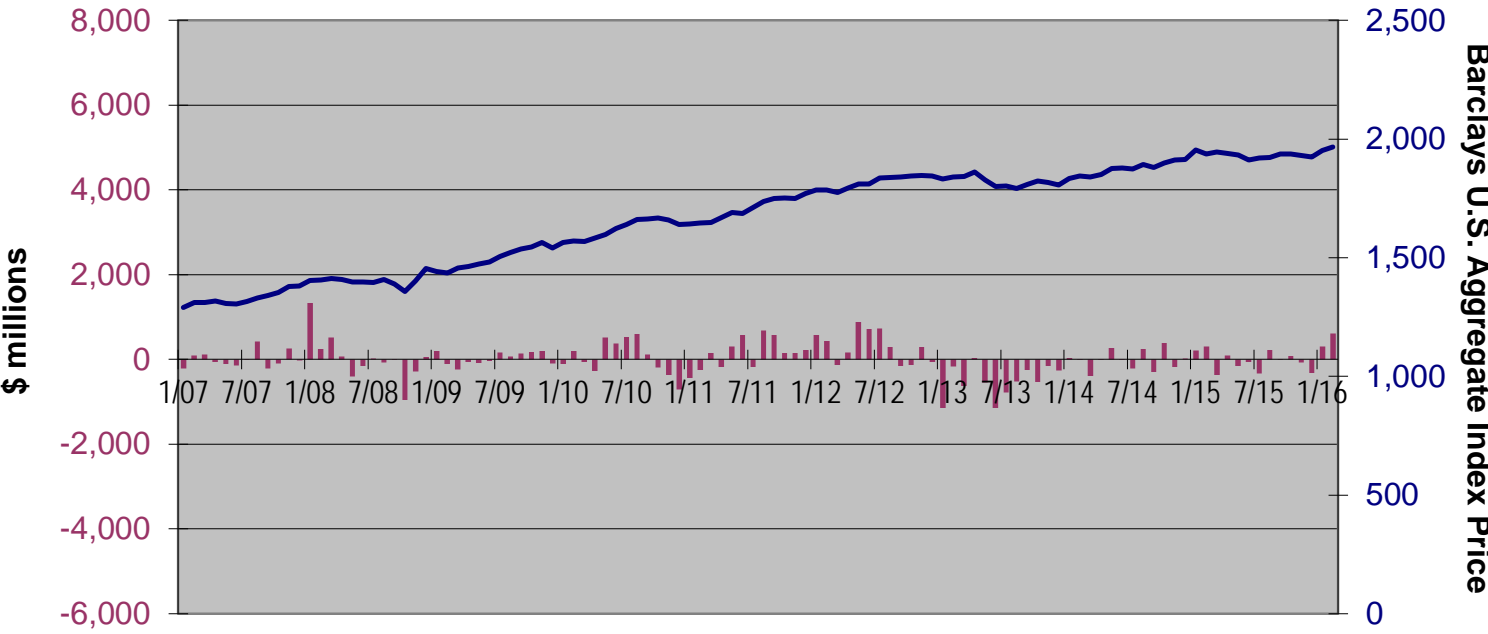


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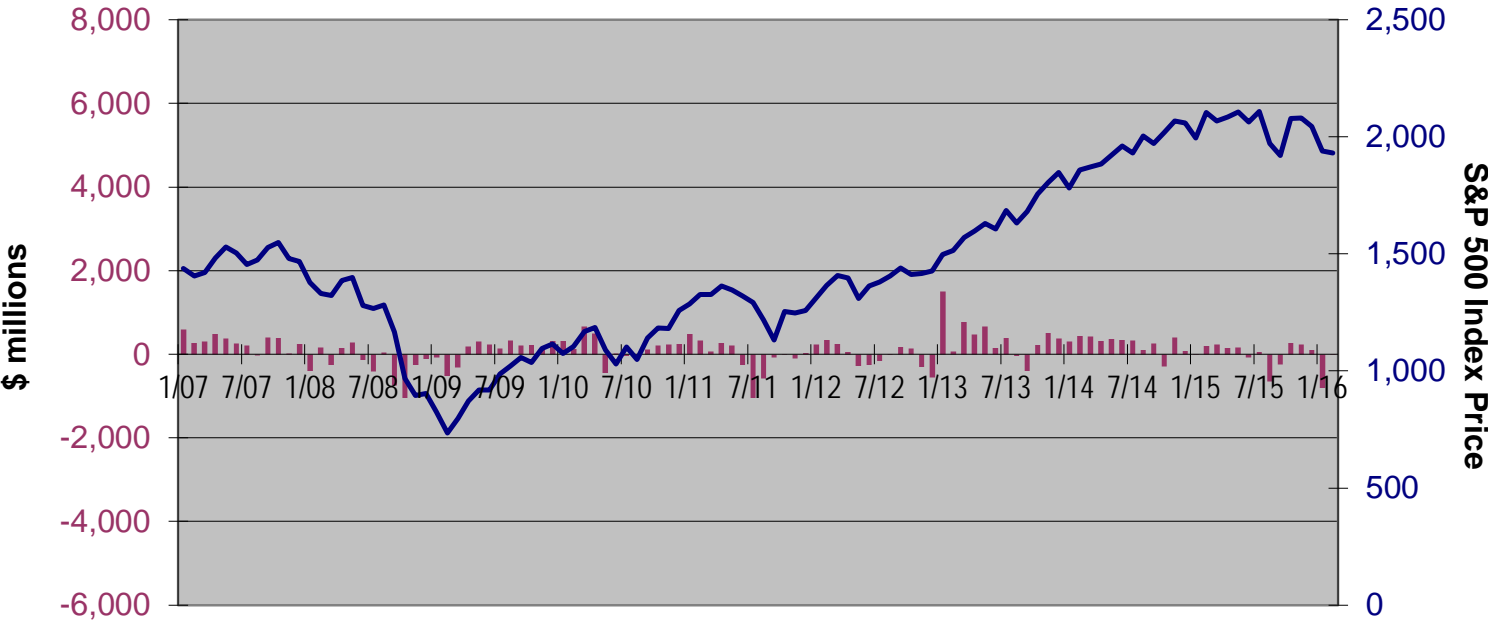
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2016

