



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

March 8, 2017

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: RAVINDRA DEO
CHIEF INVESTMENT OFFICER

SUBJECT: February 2017 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 | 0.71 | 0.71 | 0.67 | 0.04 | 0.00 |
| Large Cap | 3.97 | 3.97 | 3.97 | 0.00 | 0.00 |
| Small Mid Cap | 2.45 | 2.45 | 2.45 | 0.00 | 0.00 |
| International | 1.44 | 1.44 | 1.43 | 0.01 | 0.00 |

2017 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 | 0.95 | 0.94 | 0.87 | 0.08 | -0.01 |
| Large Cap | 5.95 | 5.95 | 5.94 | 0.01 | 0.00 |
| Small Mid Cap | 4.66 | 4.66 | 4.65 | 0.01 | 0.00 |
| International | 4.38 | 4.37 | 4.37 | 0.01 | -0.01 |

BlackRock outperformed the Fixed Income Index for the month by 4 basis points and 8 bps basis points for the year primarily due to securities lending. BlackRock's performance for the C, S and I Funds was in-line with their indices for the month of February and year-to-date.

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

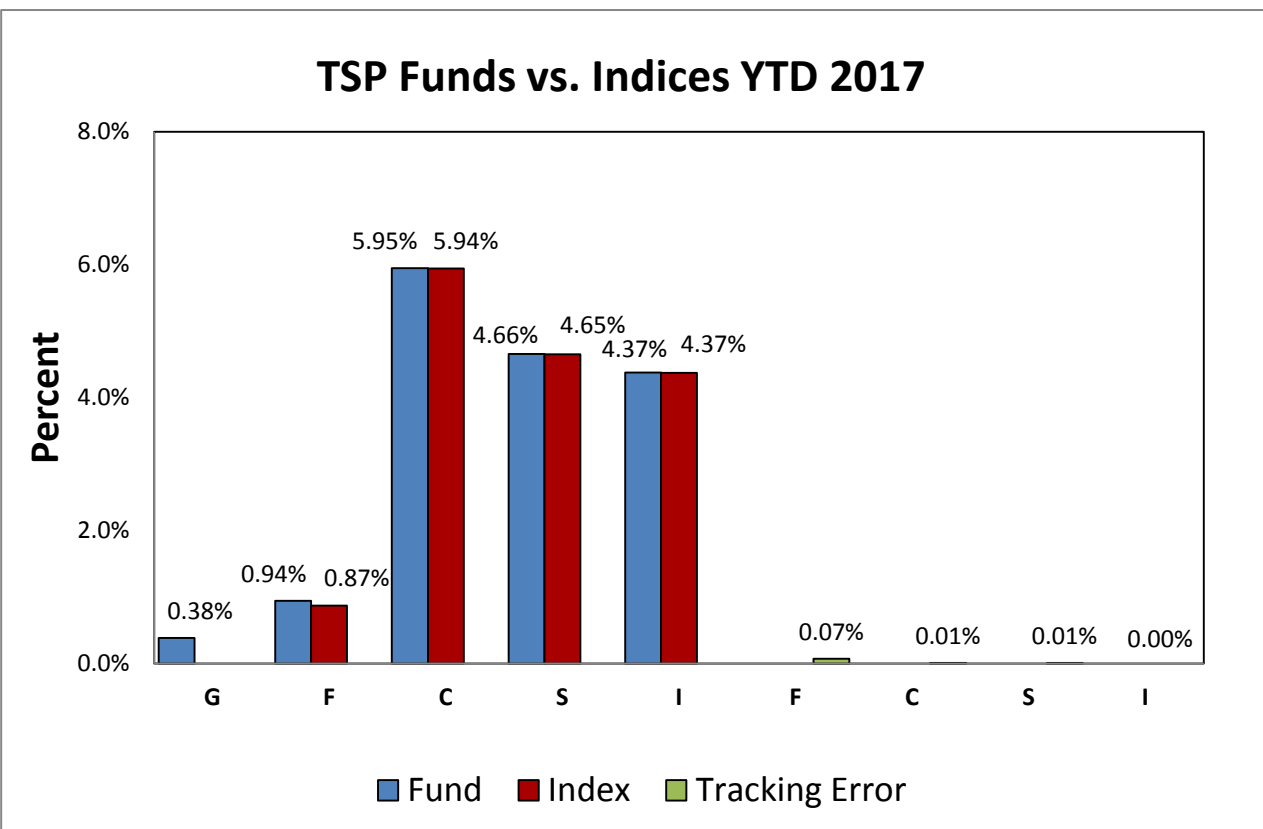
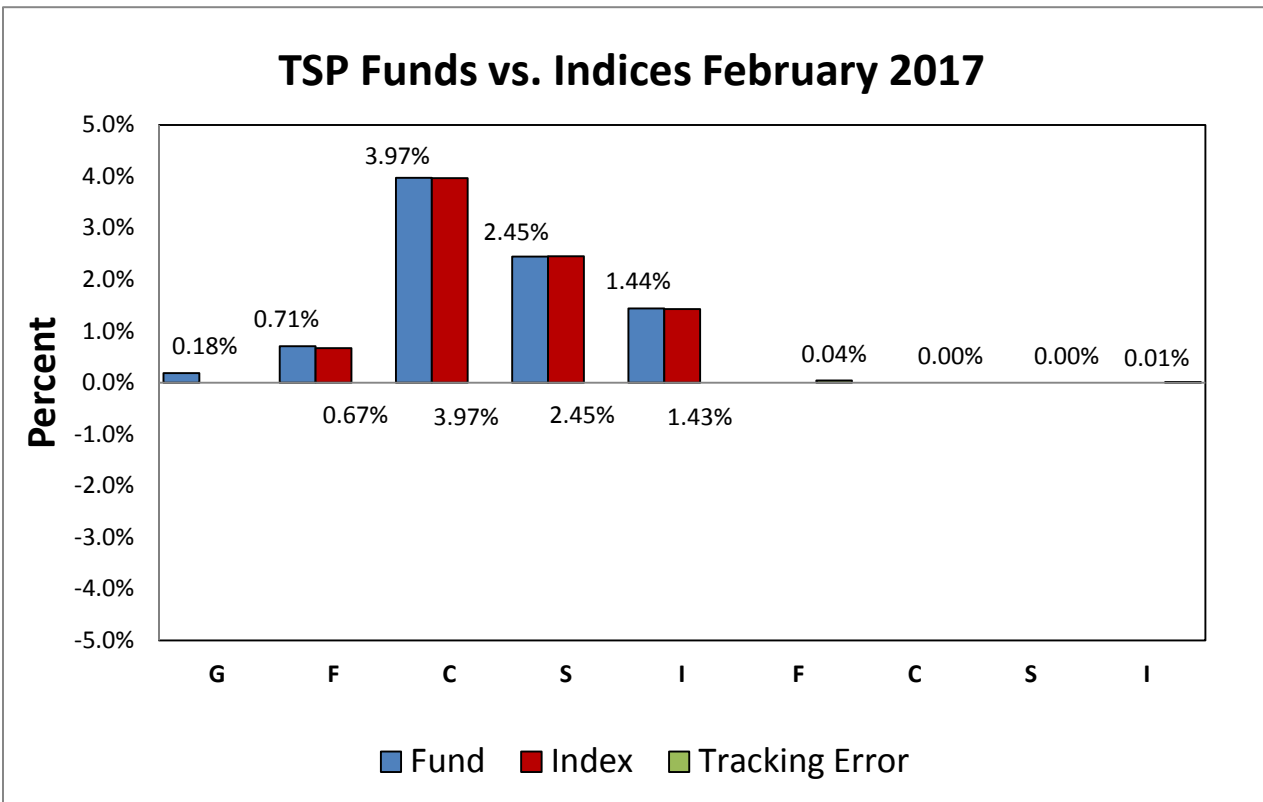
Trading Costs

| <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 | 585,037,427 | 2,686 | 0.0 |
| Year-to-Date | 1,172,936,026 | (60,471) | -0.5 |
| <u>C Fund</u> | | | |
| February | 1,166,028,639 | (178,625) | -1.5 |
| Year-to-Date | 2,348,300,705 | 125,804 | 0.5 |
| <u>S Fund</u> | | | |
| February | 1,493,963,555 | (85,252) | -0.6 |
| Year-to-Date | 2,919,993,947 | (4,220) | 0.0 |
| <u>I Fund</u> | | | |
| February | 791,587,032 | 236,052 | 3.0 |
| Year-to-Date | 1,935,426,499 | (79,186) | -0.4 |

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

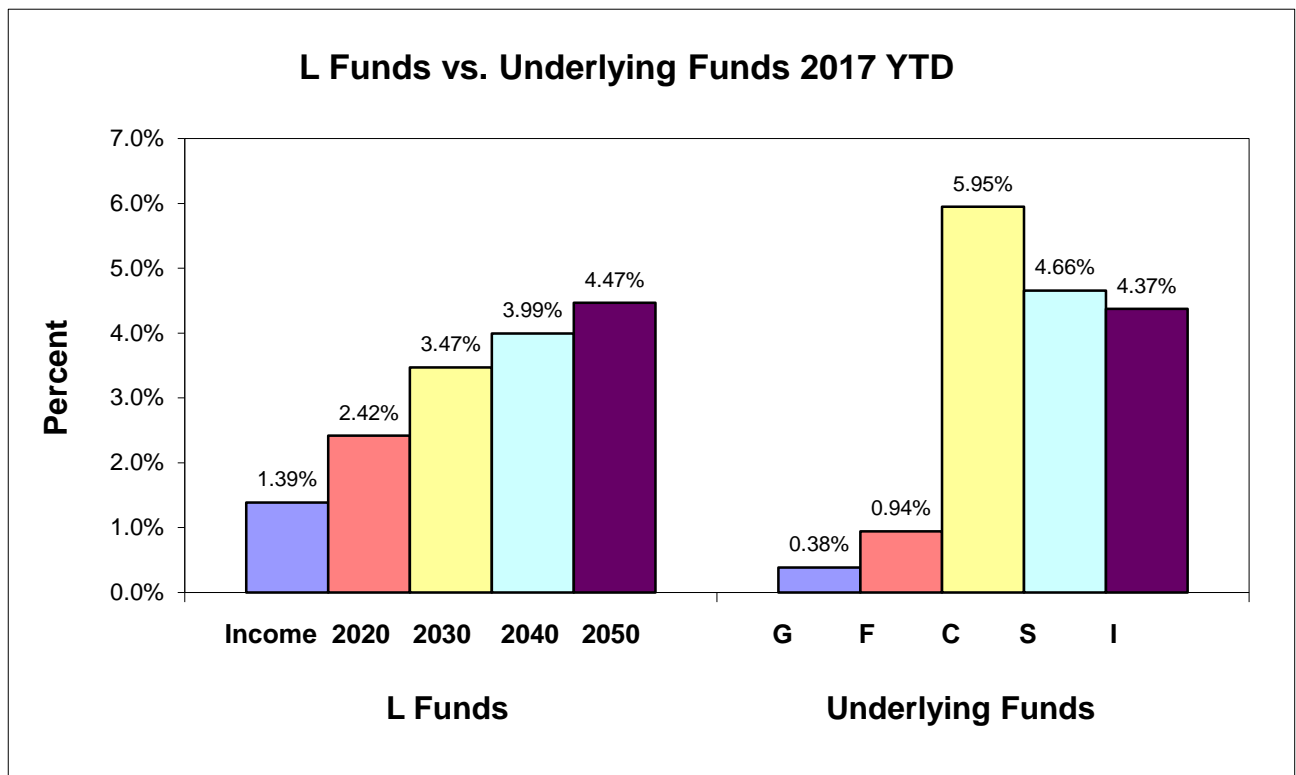
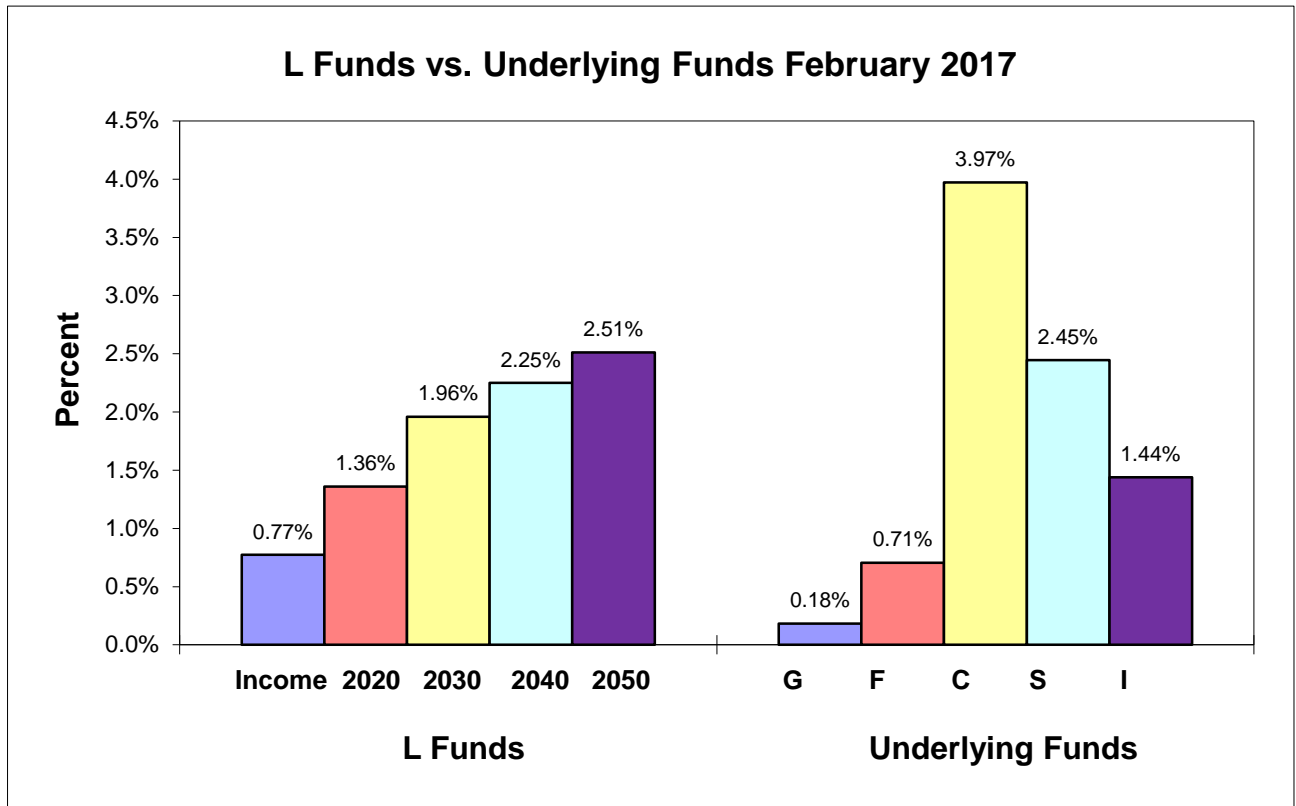
Performance of TSP Funds Total Returns

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



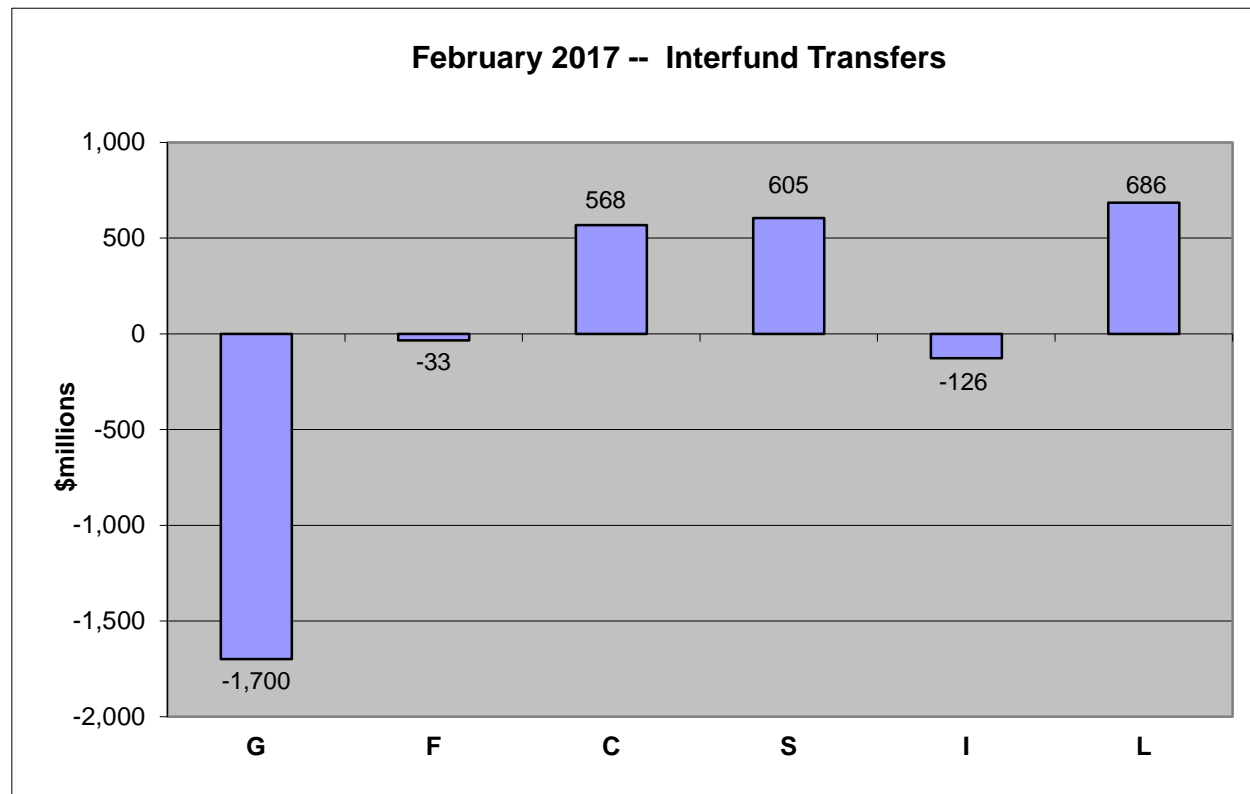
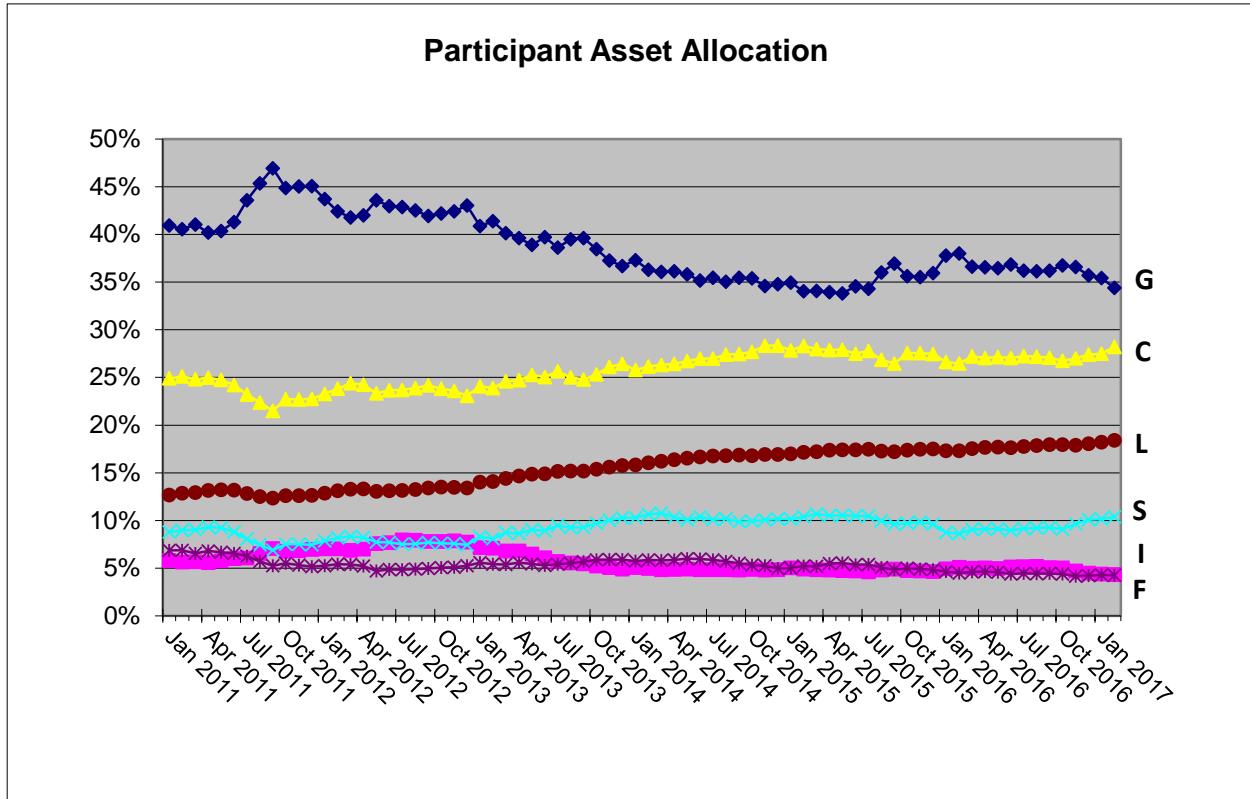
L Funds

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
February 2017

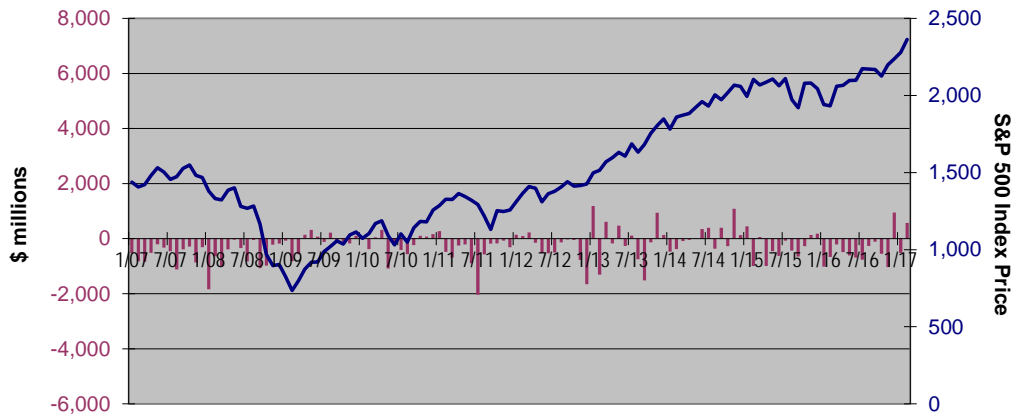
Attachment 1



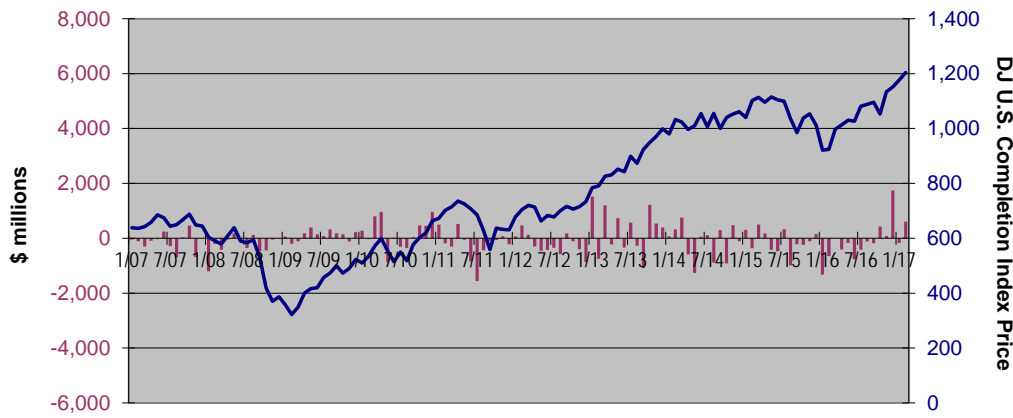
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2017

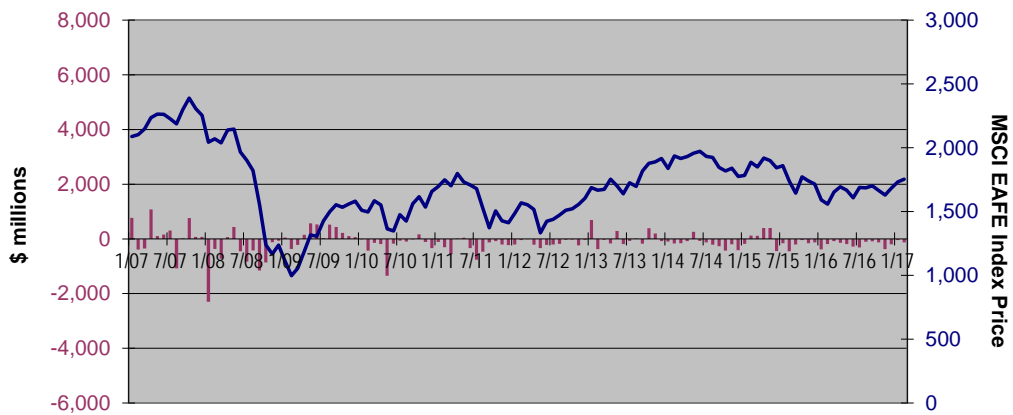
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



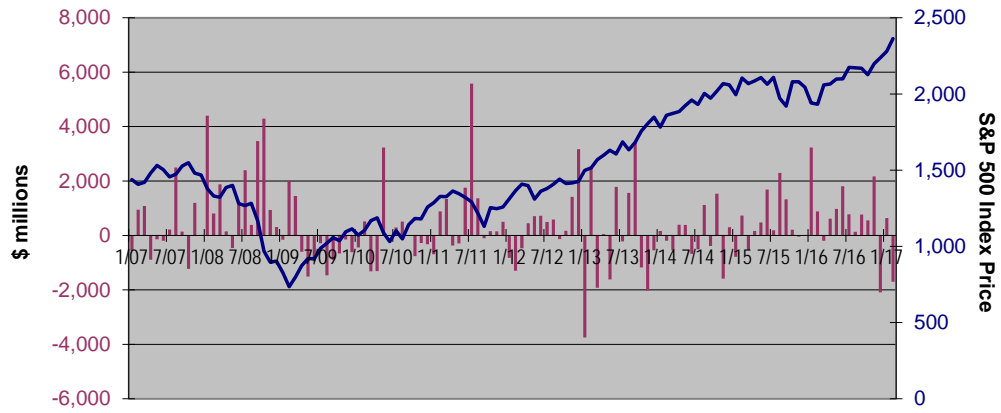
Monthly Interfund Transfers
I Fund



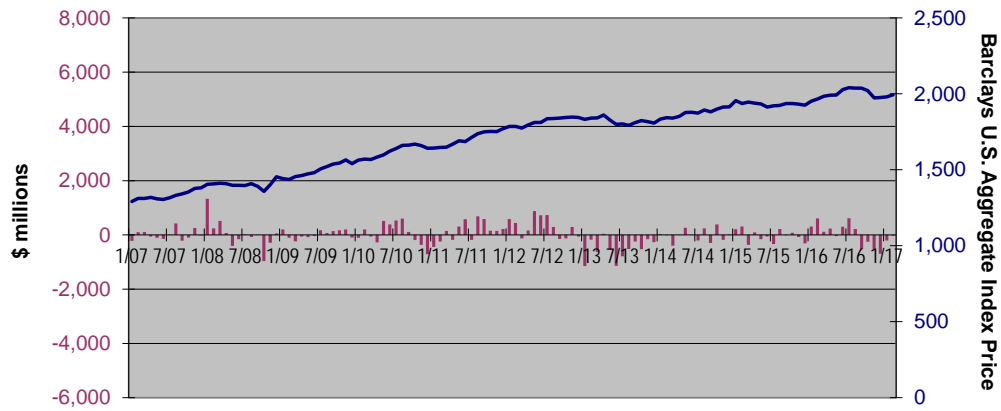
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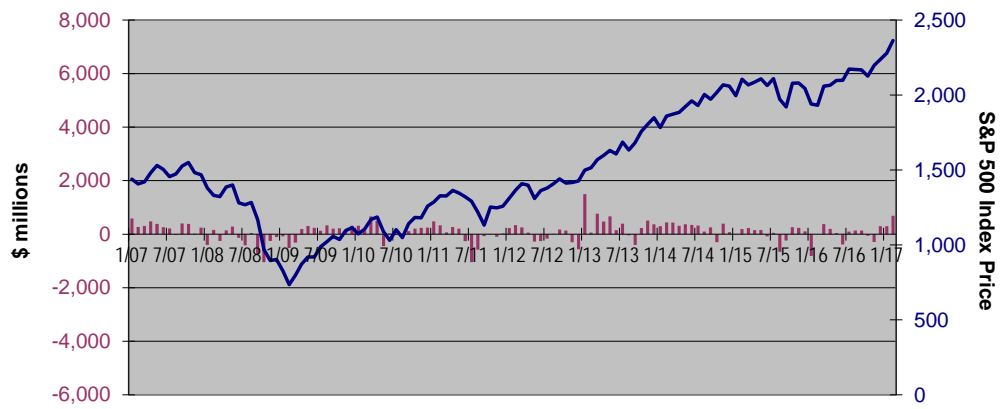
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2017

