



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

June 8, 2018

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

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SUBJECT: May 2018 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	0.73	0.73	0.71	0.02	0.00
Large Cap	2.41	2.41	2.41	0.00	0.00
Small Mid Cap	4.85	4.85	4.77	0.08	0.00
International	-2.13	-2.13	-2.25	0.12	0.00

2018 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	-1.44	-1.46	-1.50	0.06	-0.02
Large Cap	2.02	2.00	2.02	0.00	-0.02
Small Mid Cap	5.27	5.26	5.15	0.12	-0.01
International	-1.22	-1.25	-1.55	0.33	-0.03

BlackRock's performance for the F and C Funds was in-line with indices for the month. Its performance for the F Fund was ahead year-to-date by 6 basis points primarily due to securities lending. Year-to-date, the C Fund's performance was in-line with the index. BlackRock outperformed the Small Mid Cap index by 8 basis points for the month due to sampling and securities lending and was ahead by 12 basis points year-to-date due to sampling and securities lending. BlackRock outperformed the International index by 12 basis points for the month primarily due to tax advantage. BlackRock outperformed the International index by 33 basis points year-to-date primarily due to tax effect.

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

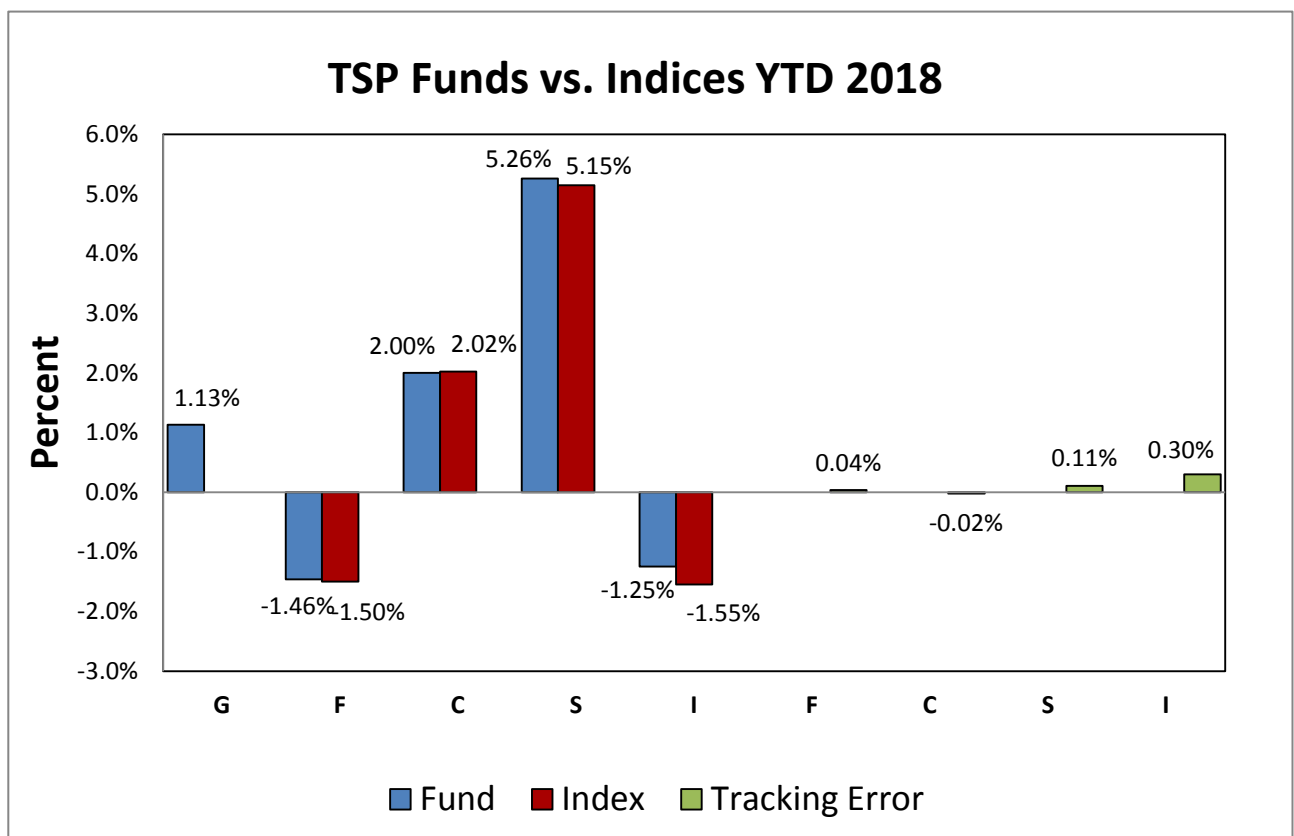
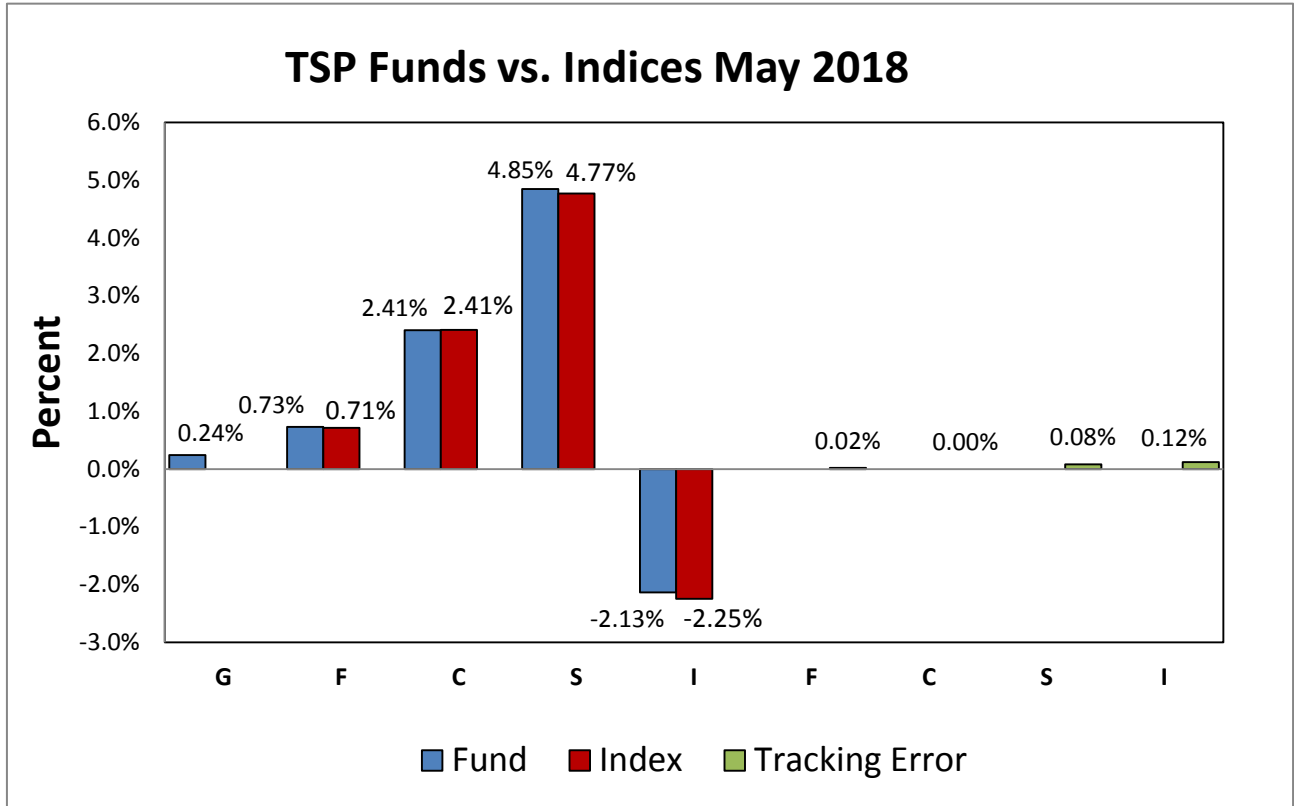
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
May	911,992,568	(9,176)	-0.1
Year-to-Date	5,182,686,671	128,675	0.2
 <u>C Fund</u>			
May	2,515,146,717	(869,877)	-3.5
Year-to-Date	16,396,688,369	(9,066,862)	-5.5
 <u>S Fund</u>			
May	1,036,940,462	16,216	0.2
Year-to-Date	8,225,223,734	(5,873,146)	-7.1
 <u>I Fund</u>			
May	1,901,600,212	314,233	1.7
Year-to-Date	8,454,352,775	3,203,313	3.8

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

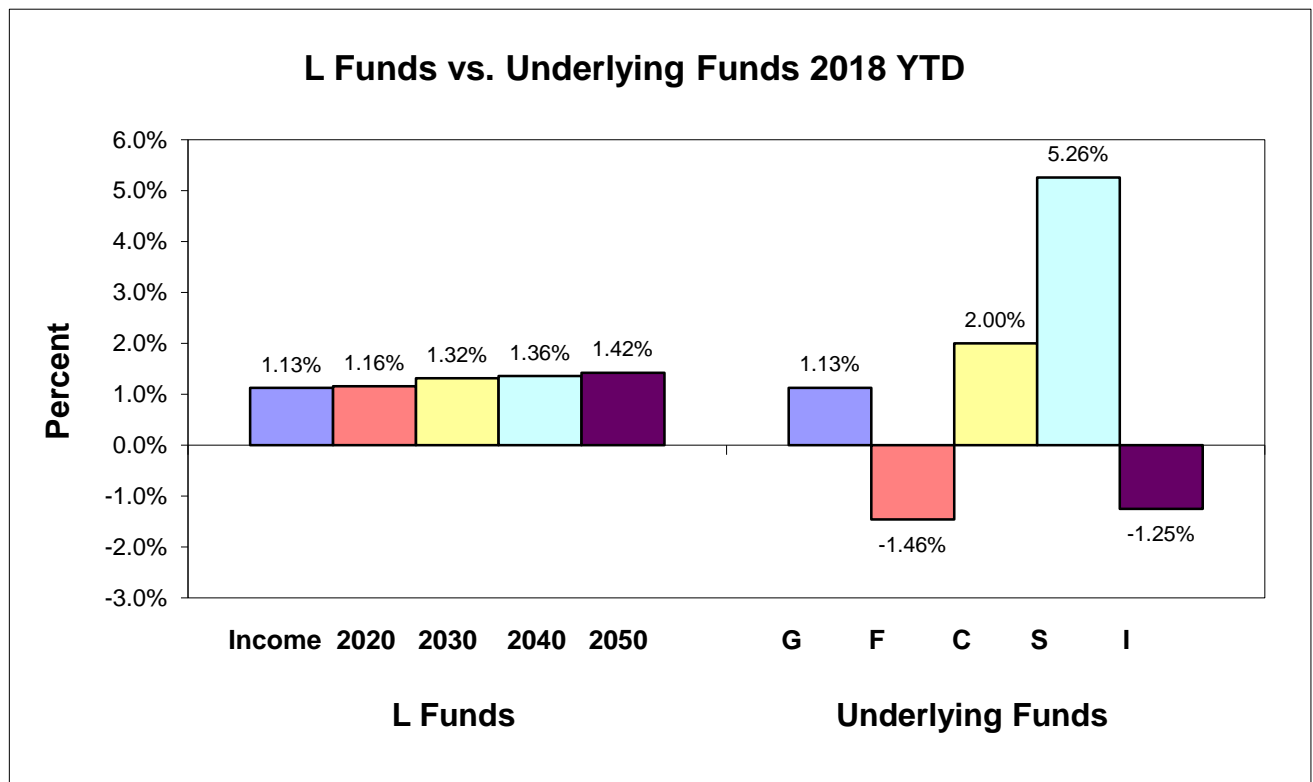
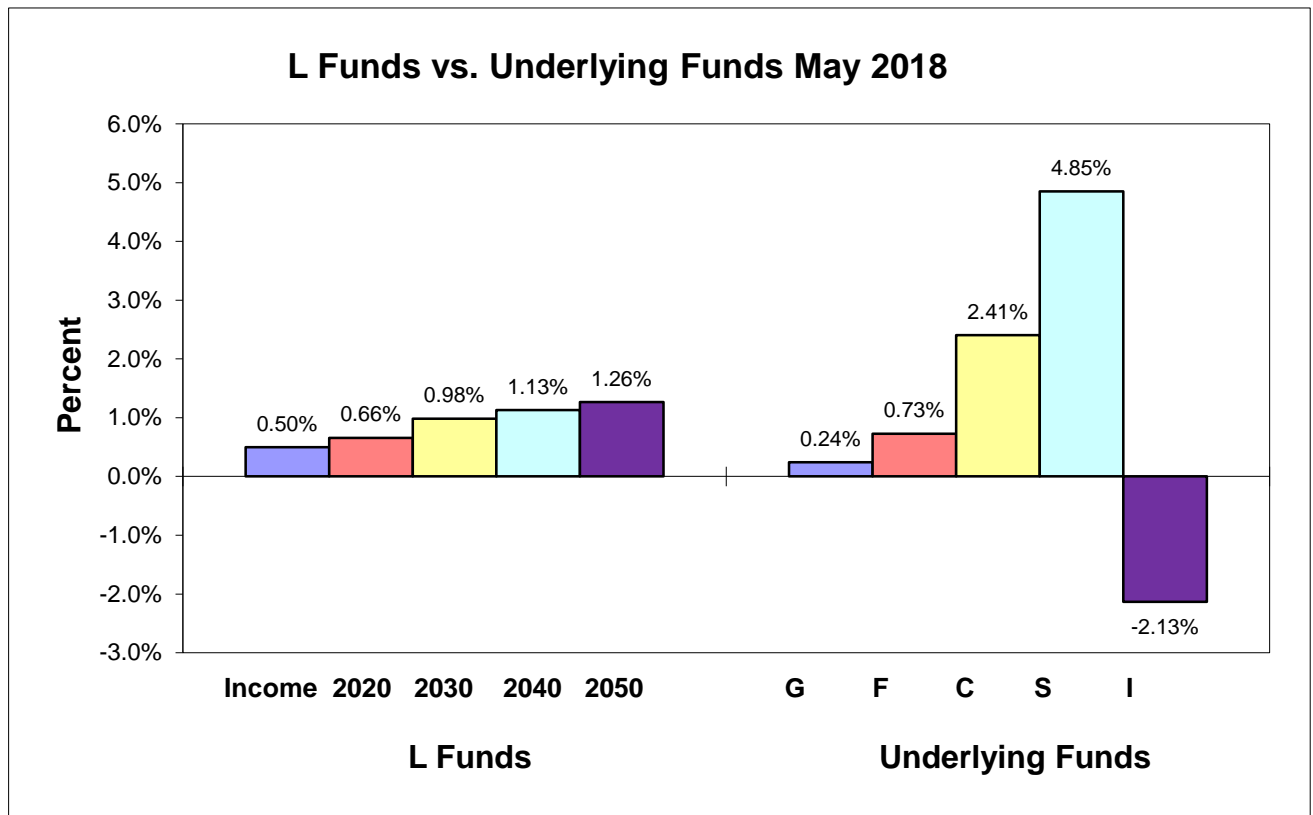
Performance of TSP Funds Total Returns

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



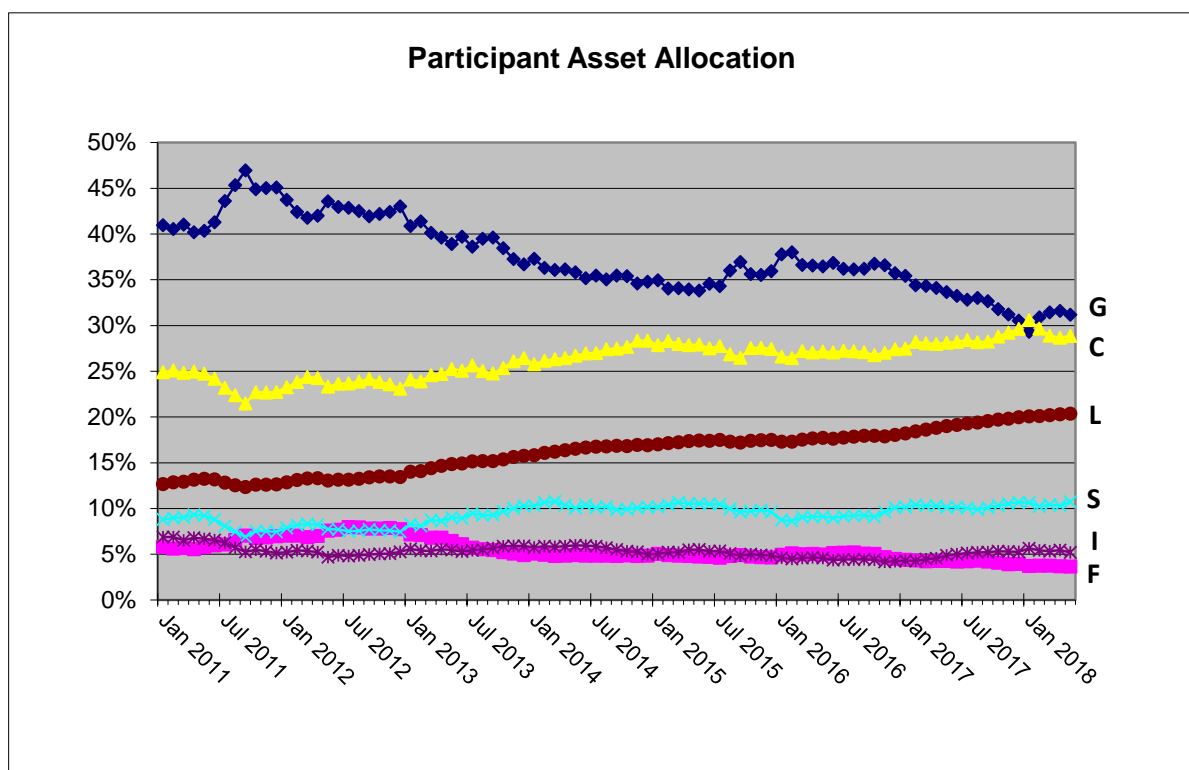
L Funds

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 2018

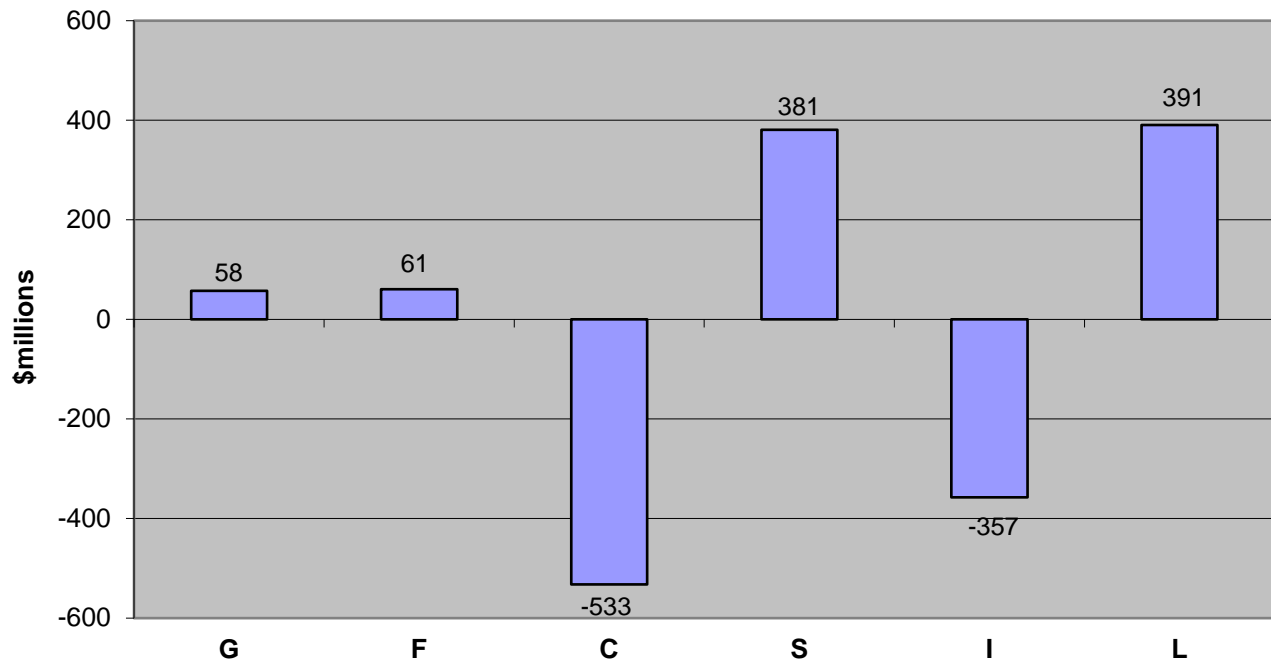
Attachment 1



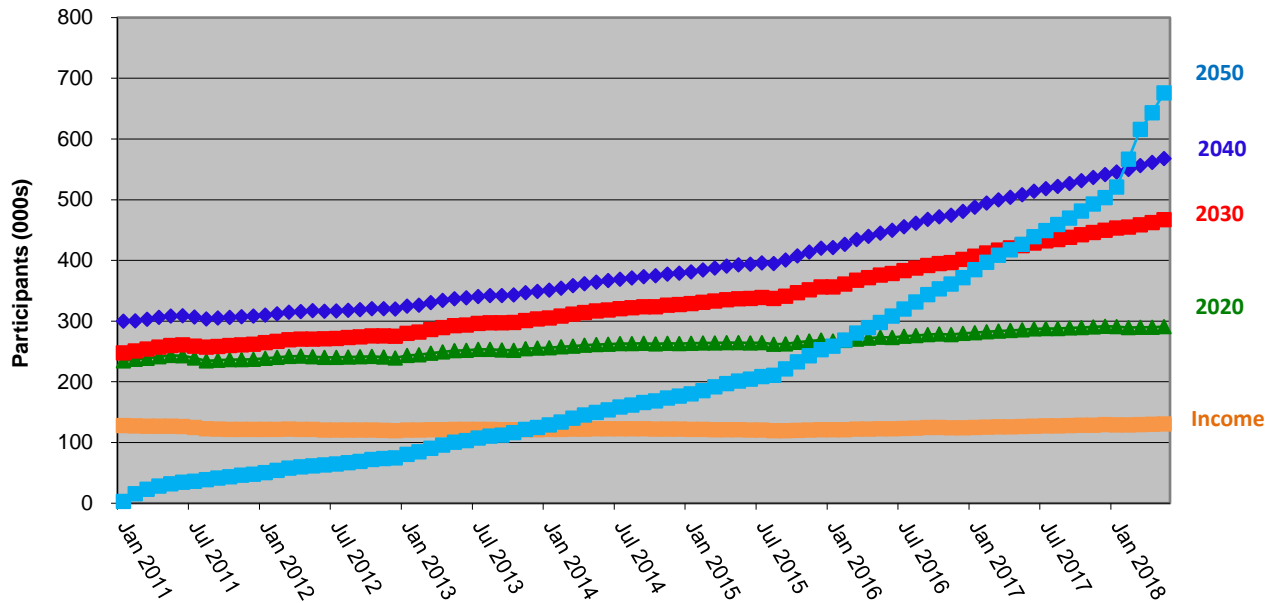
TSP Assets -- Participant Allocation (May 31, 2018)			TSP Assets -- By Fund (May 31, 2018)		
<u>Fund</u>	<u>Dollars (Billion USD)</u>	<u>Percent</u>	<u>Fund</u>	<u>Dollars (Billion USD)</u>	<u>Percent</u>
G Fund	\$173.0	31.2%	G Fund	\$214.9	38.8%
F Fund	\$20.2	3.7%	F Fund	\$27.7	5.0%
C Fund	\$159.7	28.8%	C Fund	\$193.9	35.0%
S Fund	\$59.4	10.7%	S Fund	\$69.5	12.5%
I Fund	\$28.8	5.2%	I Fund	\$47.8	8.6%
L Fund	\$112.7	20.3%			
Total	\$553.8	100%	Total	\$553.8	100%

**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
MAY 2018**

May 2018 -- Interfund Transfers



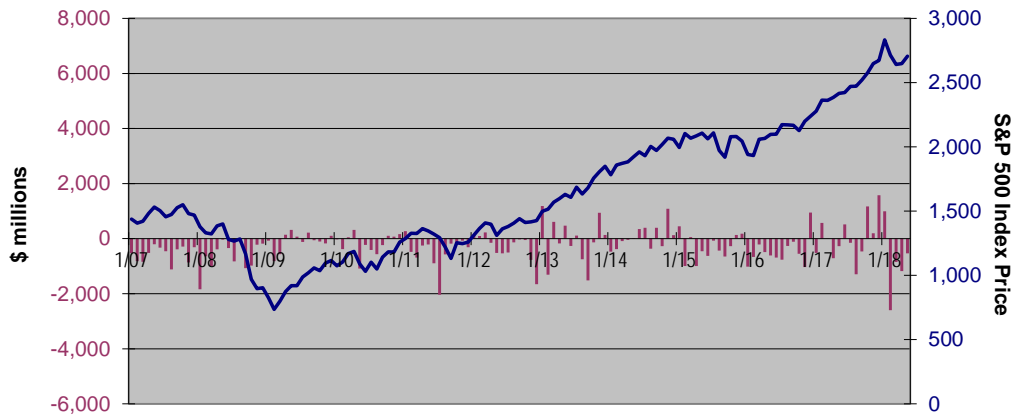
**Number of L Fund Participants
Total = 1,766,519**



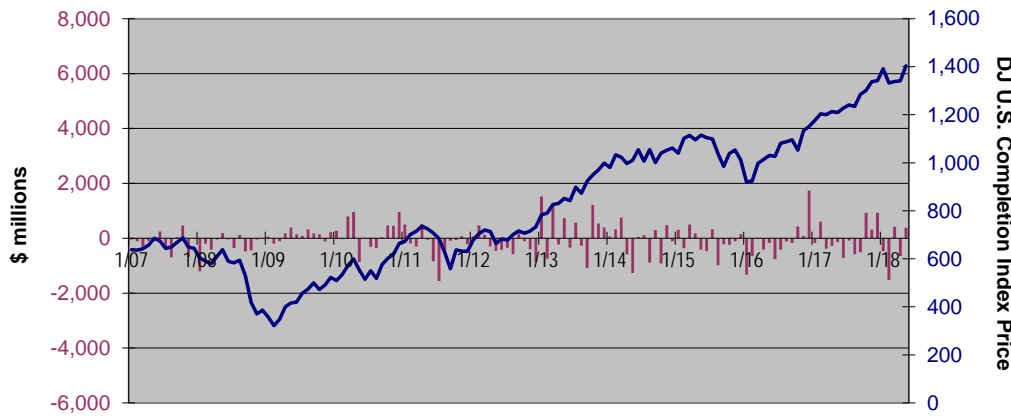
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

May 2018

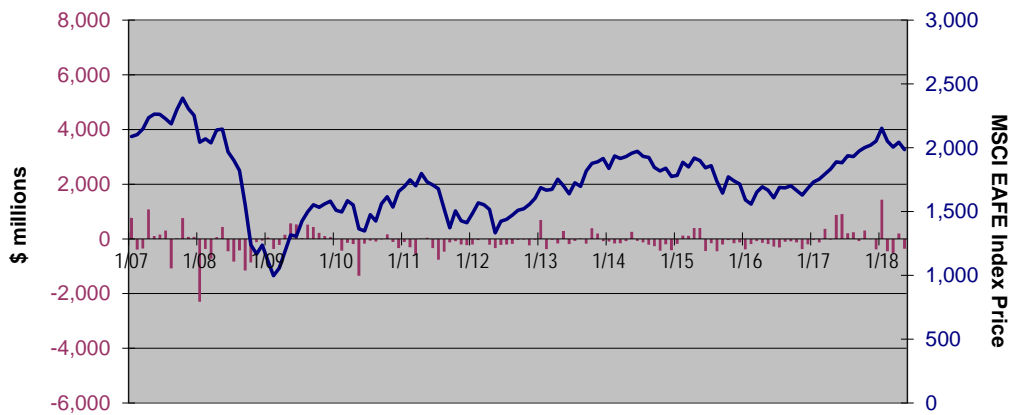
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



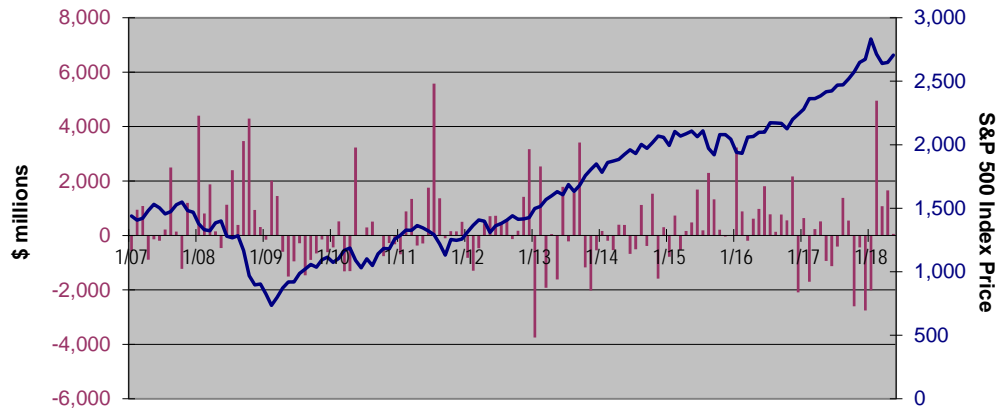
Monthly Interfund Transfers
I Fund



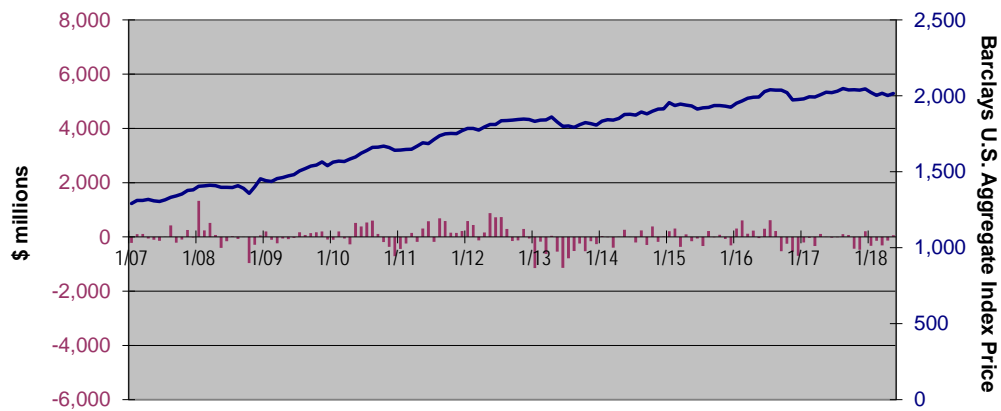
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

May 2018

Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds

