



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

March 4, 2015

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: TRACEY RAY
CHIEF INVESTMENT OFFICER

SUBJECT: February 2015 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 through February 2015, investment manager performance and tracking error, trading costs, TSP fund performance, and L Fund participation.

TRACKING ERROR - BlackRock Funds (BTC)

February Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.90	-0.94	0.04
Large Cap	5.75	5.75	0.00
Small Mid Cap	6.05	6.03	0.02
International	5.98	5.98	0.00

2015 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	1.21	1.14	0.07
Large Cap	2.59	2.57	0.02
Small Mid Cap	4.10	4.02	0.08
International	7.25	6.50	0.75

The International Fund outperformed the index by 75 basis points for the year primarily due to a fair value pricing adjustment on December 31, 2014. The Small Mid Cap Fund outperformed the index by 8 basis points for the year due to securities sampling and securities lending. The Fixed Income Fund outperformed the index by 7 basis points for the year primarily due to securities lending.

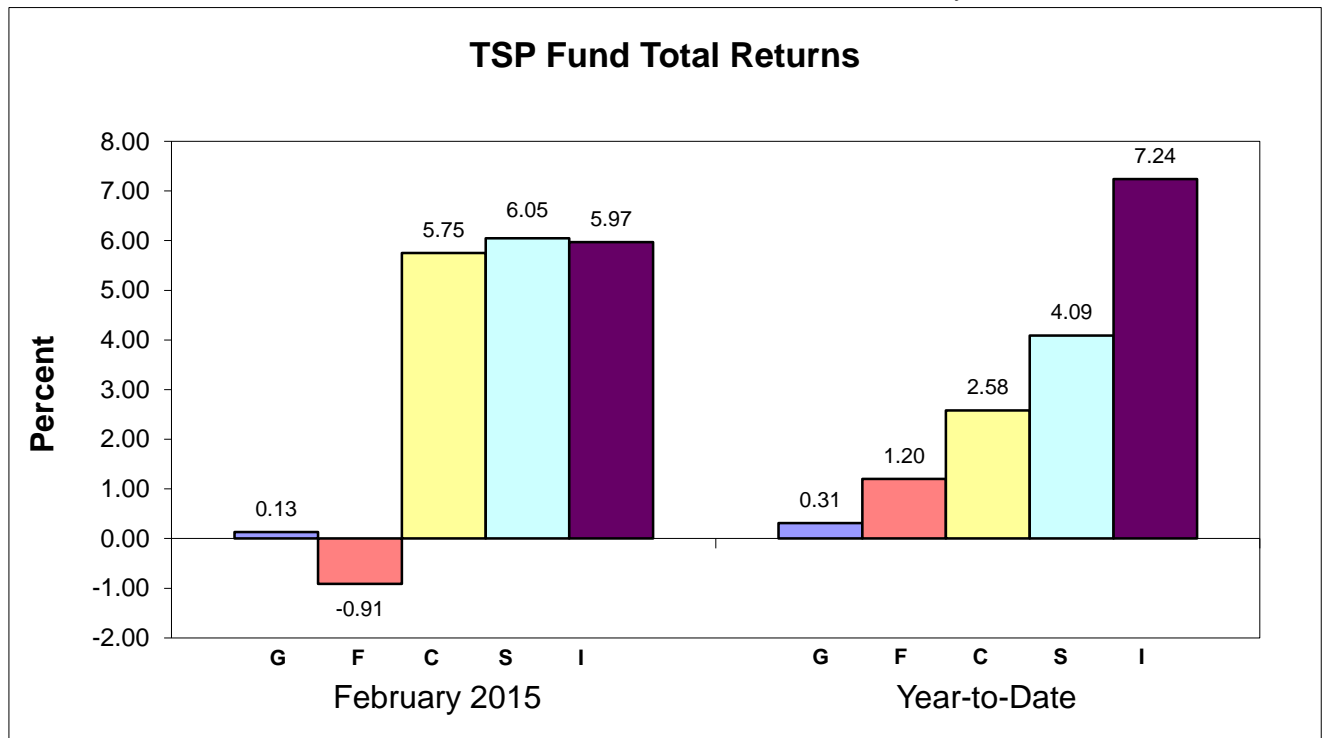
Trading Costs

		<u>Trading Costs*</u>	
	<u>Dollar Amount Traded</u>	<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
February 2015	934,143,603	80,992	0.9
Year-to-Date	1,673,111,936	209,648	1.3
<u>C Fund</u>			
February 2015	1,890,884,313	(335,787)	-1.8
Year-to-Date	4,217,329,820	(503,154)	-1.2
<u>S Fund</u>			
February 2015	1,124,053,496	(106,435)	-0.9
Year-to-Date	2,365,096,557	116,103	0.5
<u>I Fund</u>			
February 2015	806,692,756	542,148	6.7
Year-to-Date	1,993,752,830	1,653,784	8.3

* -- 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

The chart below shows the G, F, C, S, and I Fund net rates of return for February 2015 and 2015.



The table below compares the net rates of return for the F, C, S, and I Funds to the returns of the corresponding BlackRock funds.

February 2015

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.91	-0.90	-0.01	-0.94
Large Cap	5.75	5.75	0.00	5.75
Small Cap	6.05	6.05	0.00	6.03
International	5.97	5.98	-0.01	5.98

2015

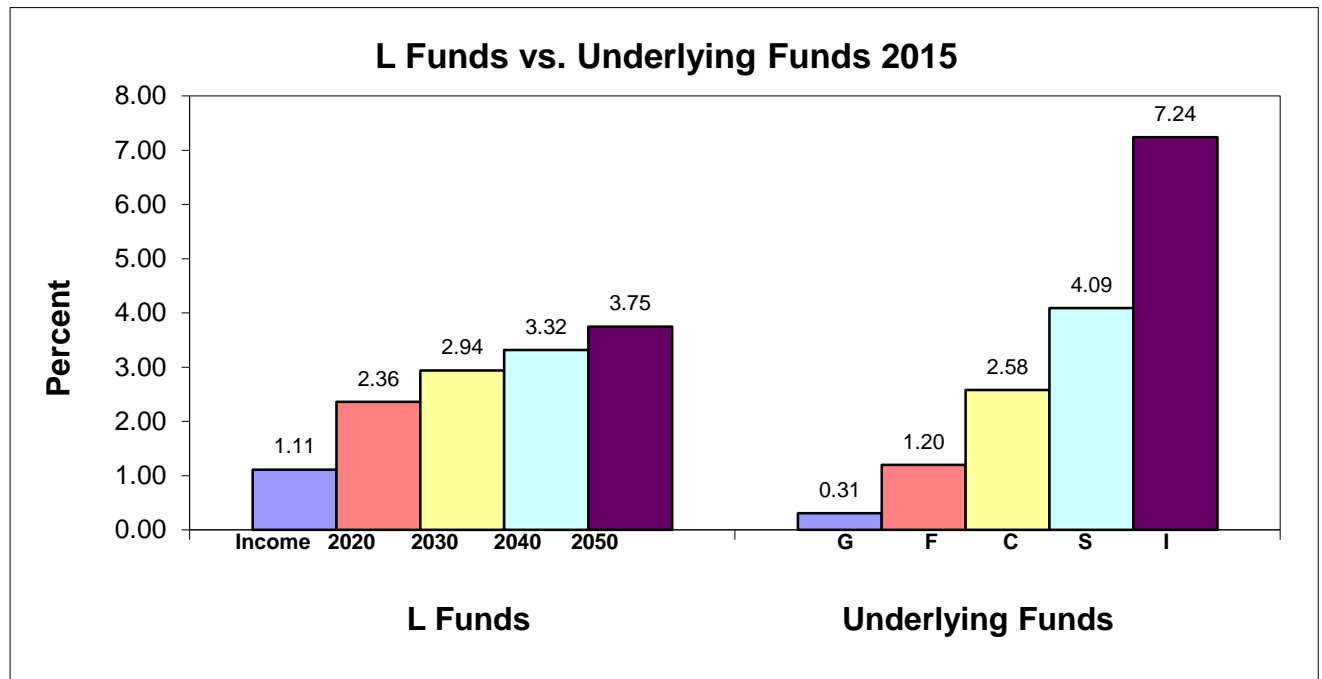
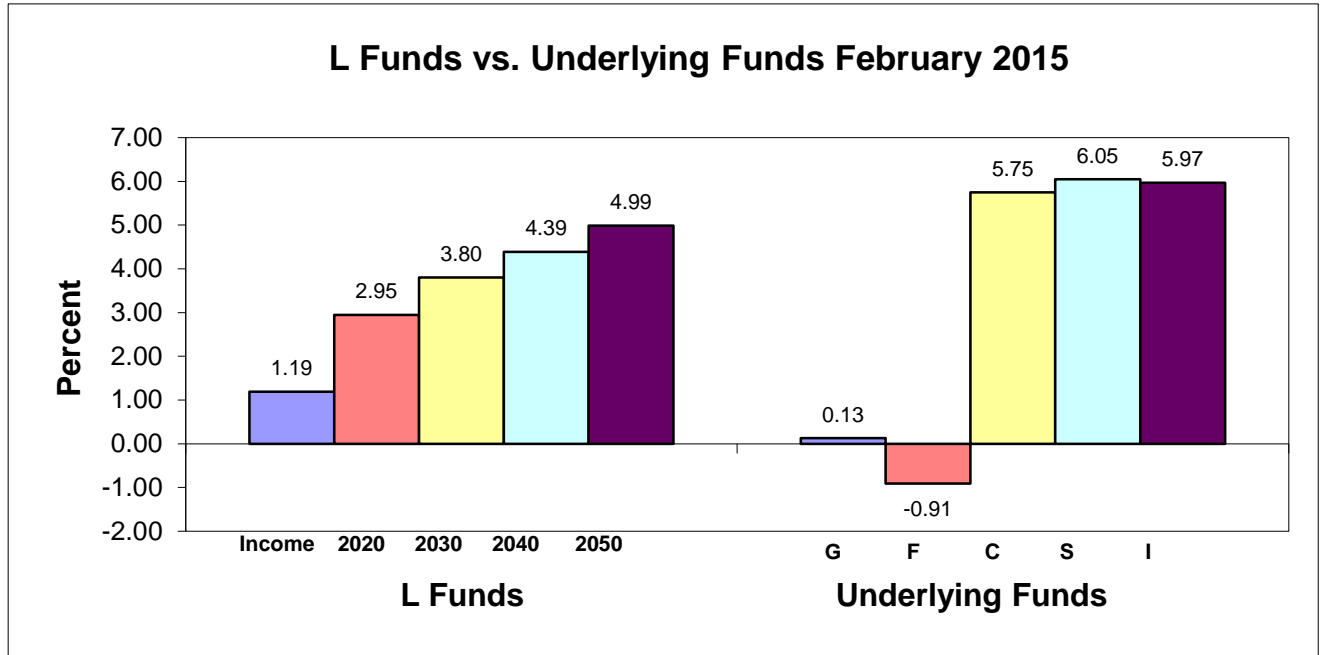
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	1.20	1.21	-0.01	1.14
Large Cap	2.58	2.59	-0.01	2.57
Small Cap	4.09	4.10	-0.01	4.02
International	7.24	7.25	-0.01	6.50

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

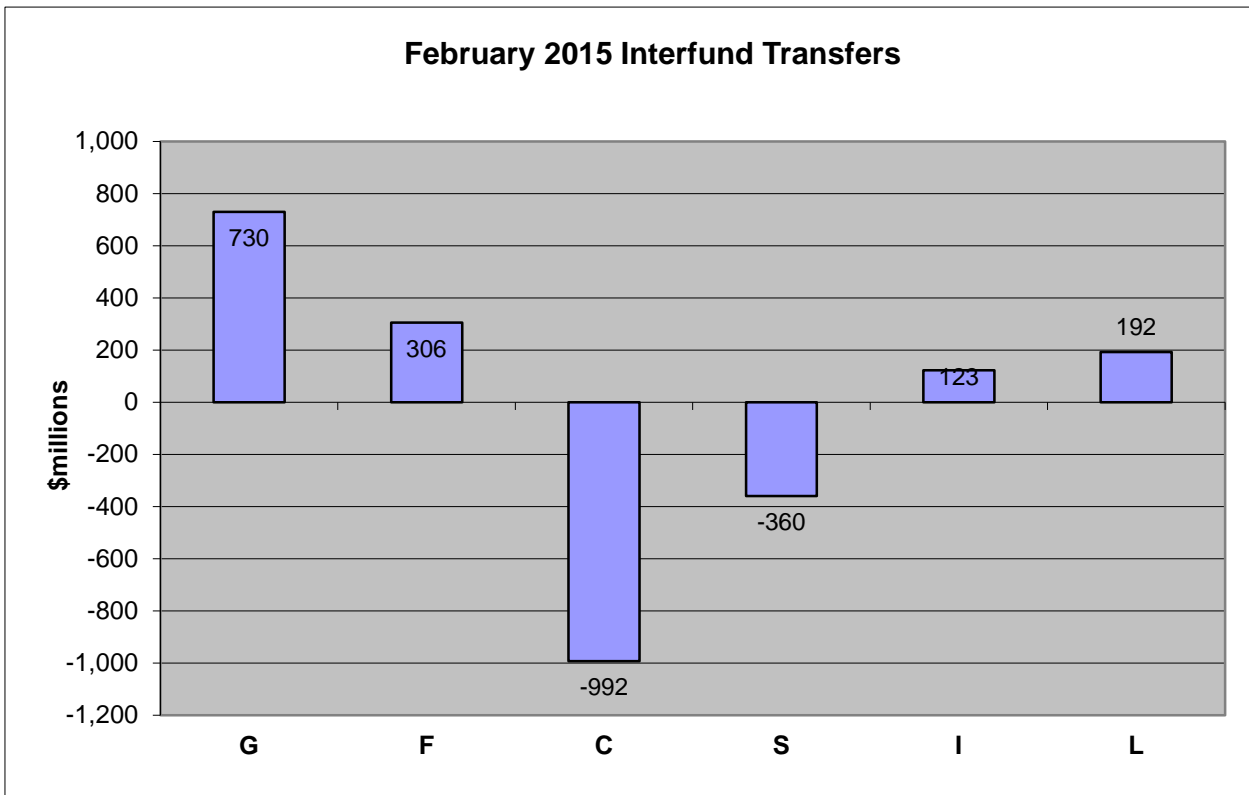
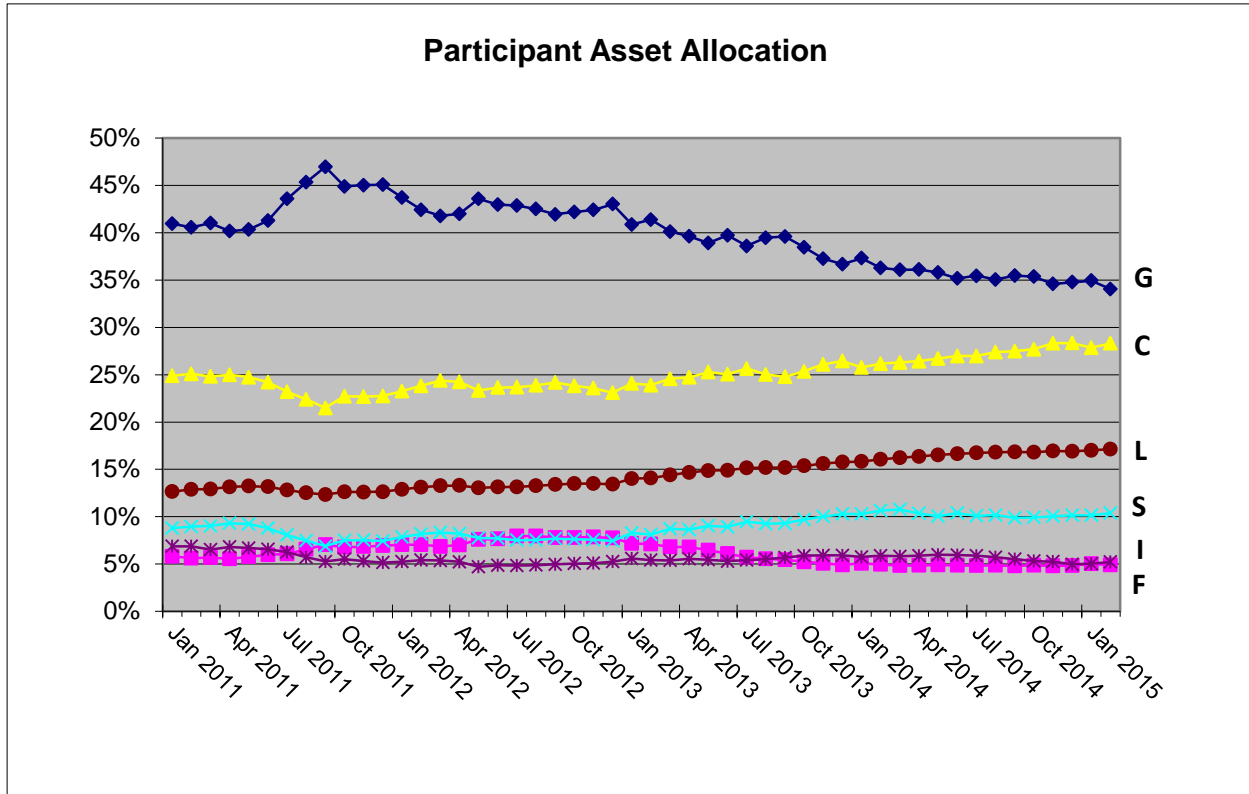
L Funds

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 2015

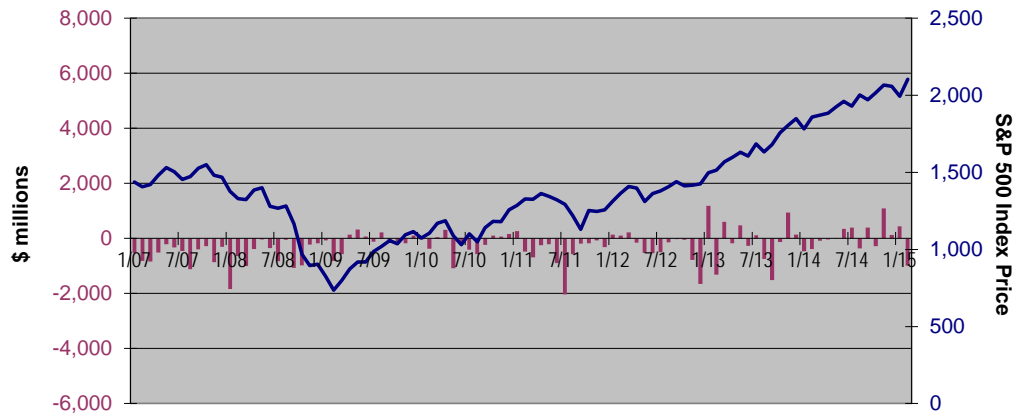
Attachment 1



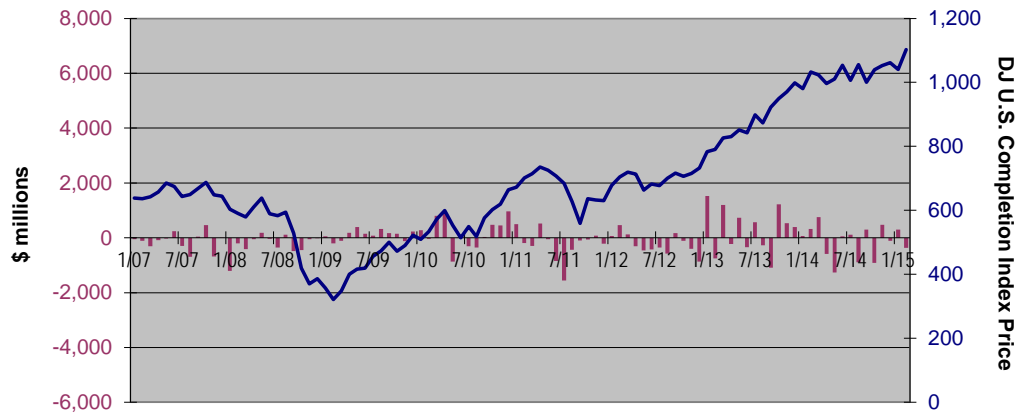
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2015

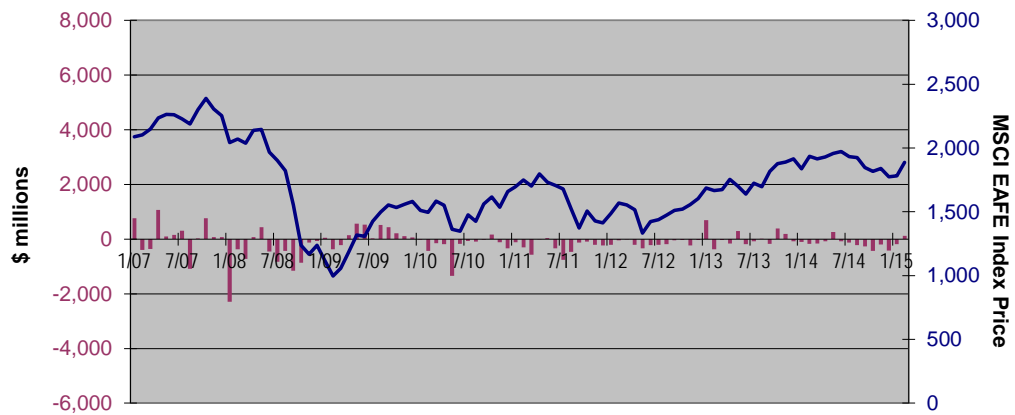
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



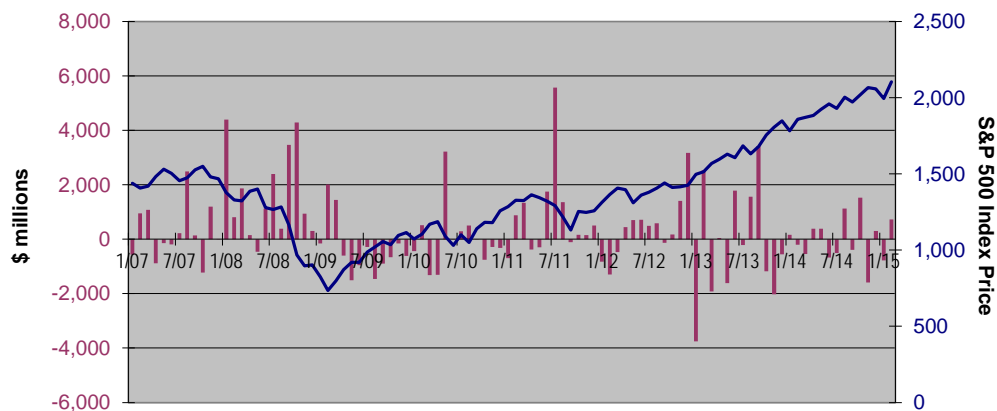
Monthly Interfund Transfers
I Fund



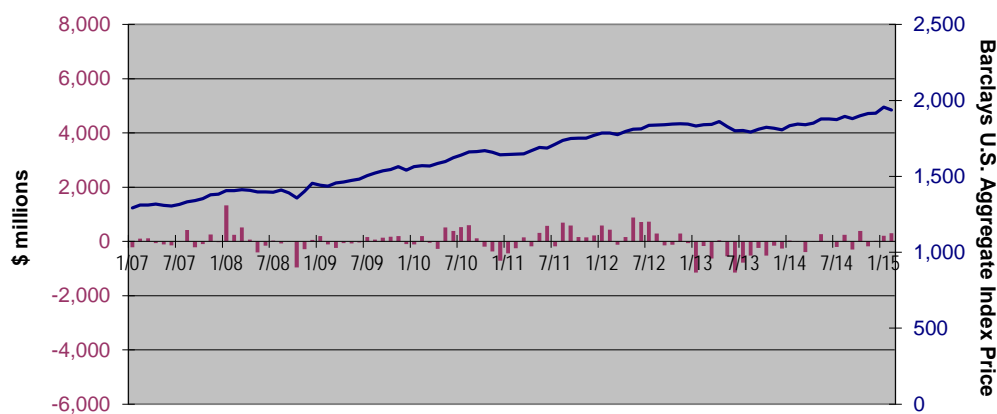
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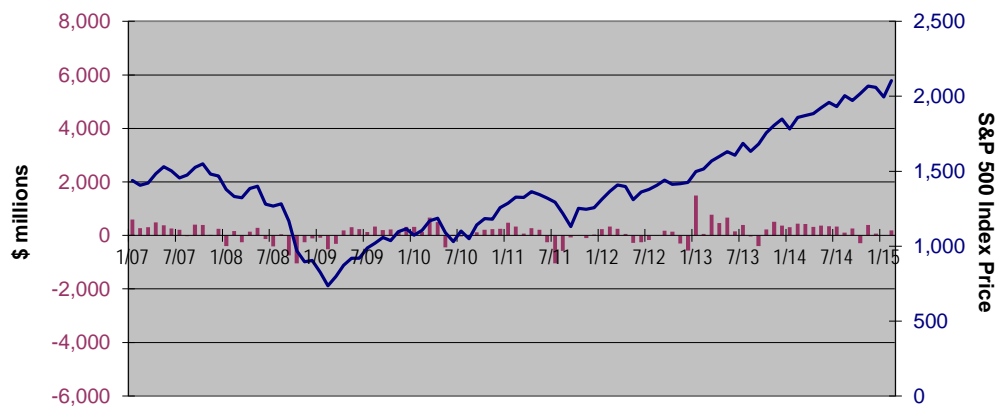
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2015

