



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

August 7, 2019

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

SUBJECT: July 2019 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	0.21	0.21	0.22	-0.01	0.00
Large Cap	1.44	1.44	1.44	0.00	0.00
Small Mid Cap	1.64	1.64	1.63	0.01	0.00
International	-2.09	-2.09	-1.27	-0.82	0.00

2019 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	6.36	6.34	6.35	0.01	-0.02
Large Cap	20.26	20.23	20.24	0.02	-0.03
Small Mid Cap	21.45	21.43	21.43	0.02	-0.02
International	12.01	12.03	12.58	-0.57	0.02

BlackRock's performance for the F, C, and S Funds was in-line with indices for the month. Its performance for the I Fund was below the International Index by 82 basis points, primarily due to a fair value pricing event late in the month. For the F, C, and S Funds year-to date, BlackRock's performance was in-line with the Funds' respective indices. Year-to-date, BlackRock underperformed the International Index by 57 basis points, due to a fair value pricing event in late July.

The TSP Funds closely tracked the BTC Accounts for the month. Year-to-date, the F, C, S, and I Funds closely tracked the BTC Accounts.

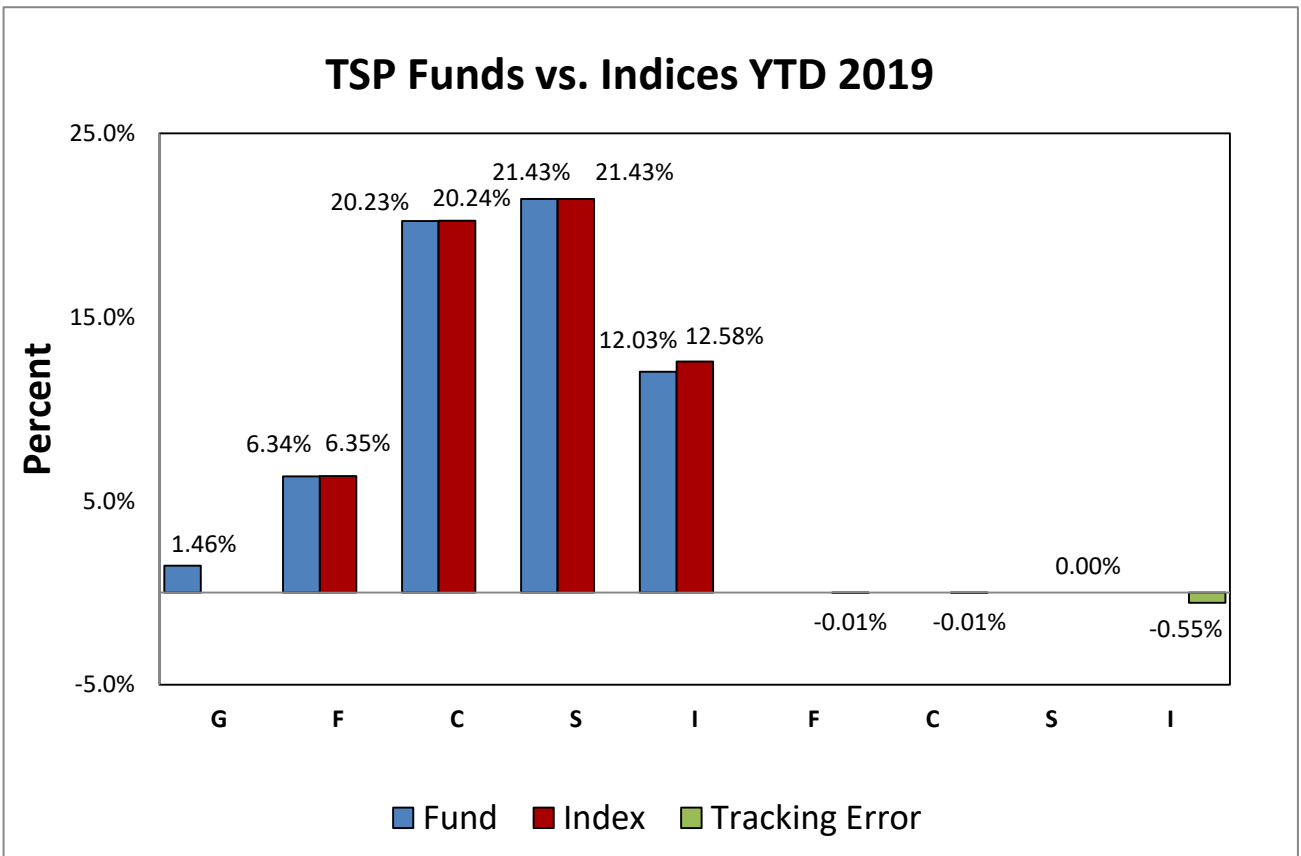
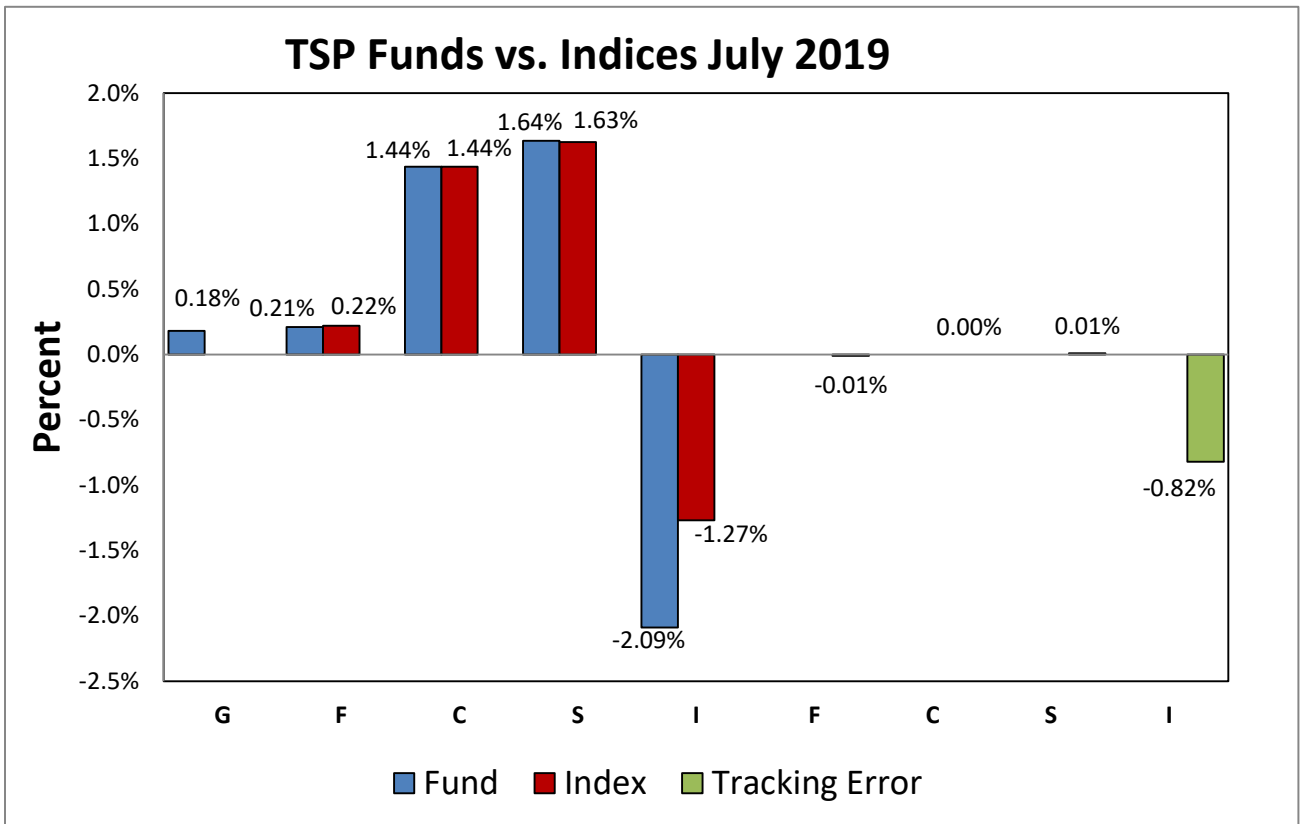
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount Traded</u>	<u>Dollars</u>	<u>Basis Points</u>
July	727,230,409	290	0.0
Year-to-Date	5,381,647,810	340,937	0.6
 <u>C Fund</u>			
July	1,896,202,337	(335,601)	-1.8
Year-to-Date	16,346,222,632	(2,358,488)	-1.4
 <u>S Fund</u>			
July	1,360,069,043	(77,355)	-0.6
Year-to-Date	10,785,977,008	(167,029)	-0.2
 <u>I Fund</u>			
July	1,195,572,896	504,734	4.2
Year-to-Date	11,848,641,757	(16,137,451)	-13.6

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

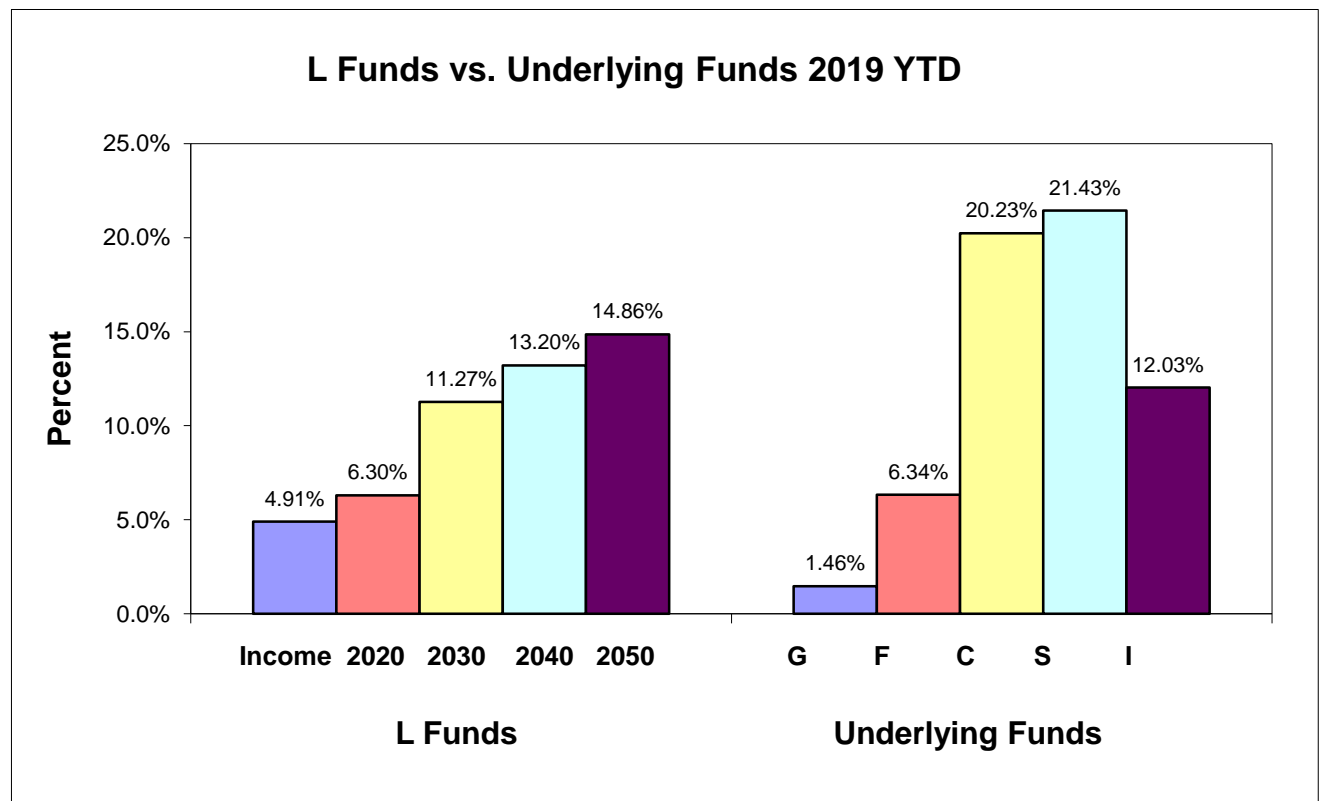
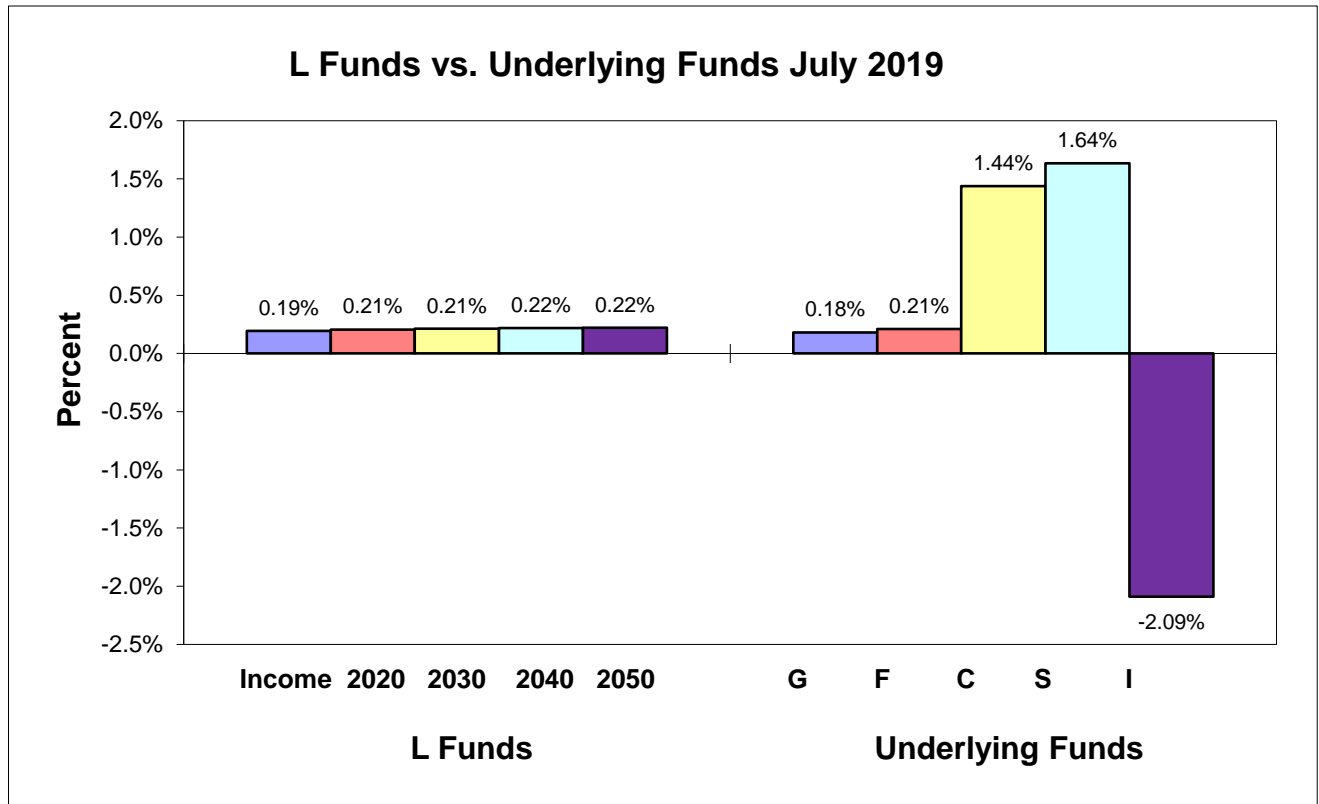
Performance of TSP Funds Total Returns

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



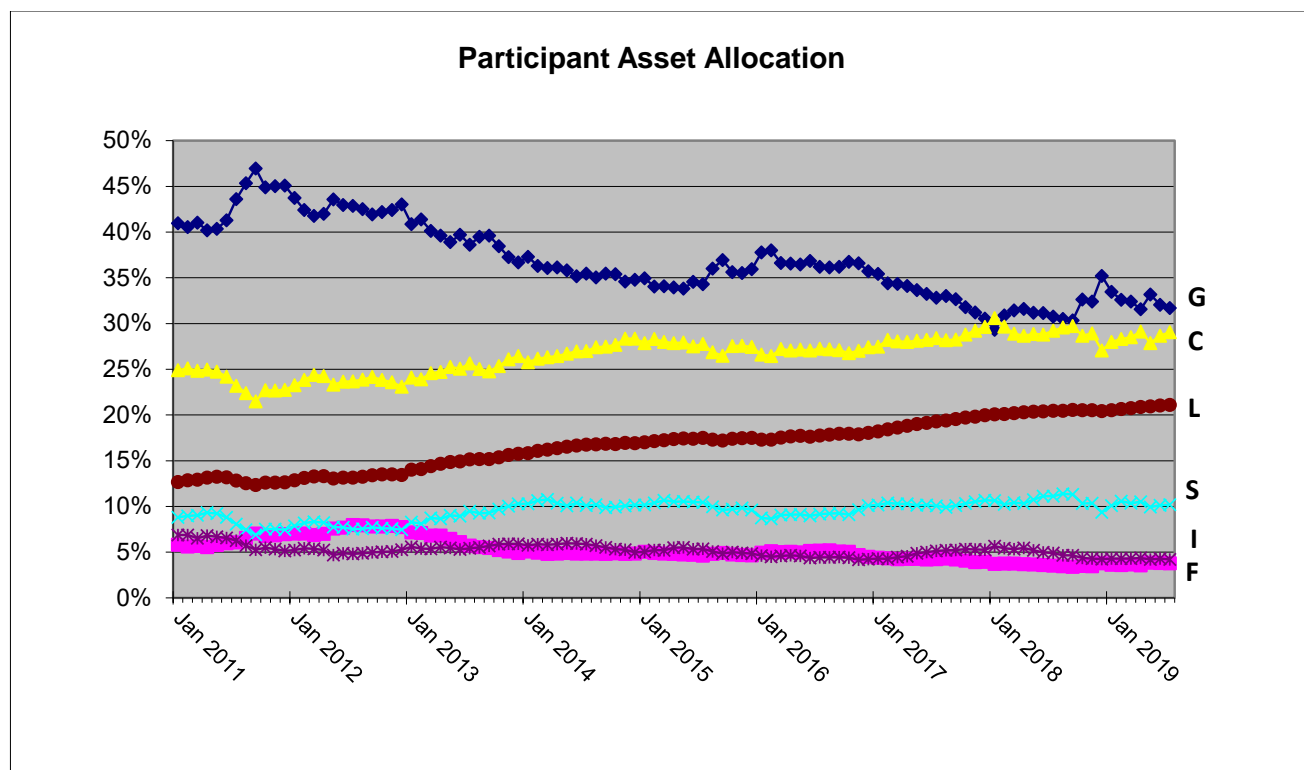
L Funds

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
JULY 2019**

Attachment 1



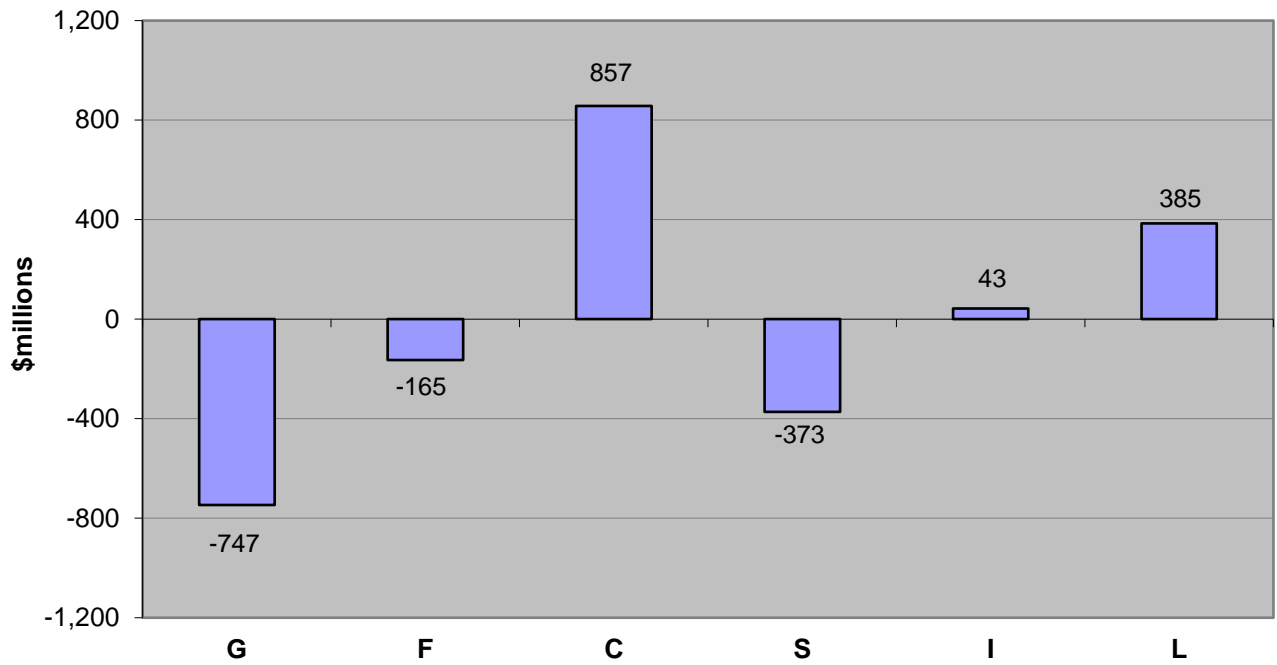
TSP Assets -- Participant Allocation (July 31, 2019)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$190.4	31.8%
F Fund	\$22.6	3.8%
C Fund	\$174.0	29.0%
S Fund	\$61.1	10.2%
I Fund	\$25.1	4.2%
L Funds	<u>\$126.4</u>	<u>21.1%</u>
Total	\$599.6	100%

TSP Assets -- By Core Funds (July 31, 2019)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$237.8	39.7%
F Fund	\$31.4	5.2%
C Fund	\$209.3	34.9%
S Fund	\$71.4	11.9%
I Fund	<u>\$49.7</u>	<u>8.3%</u>
Total	\$599.6	100%

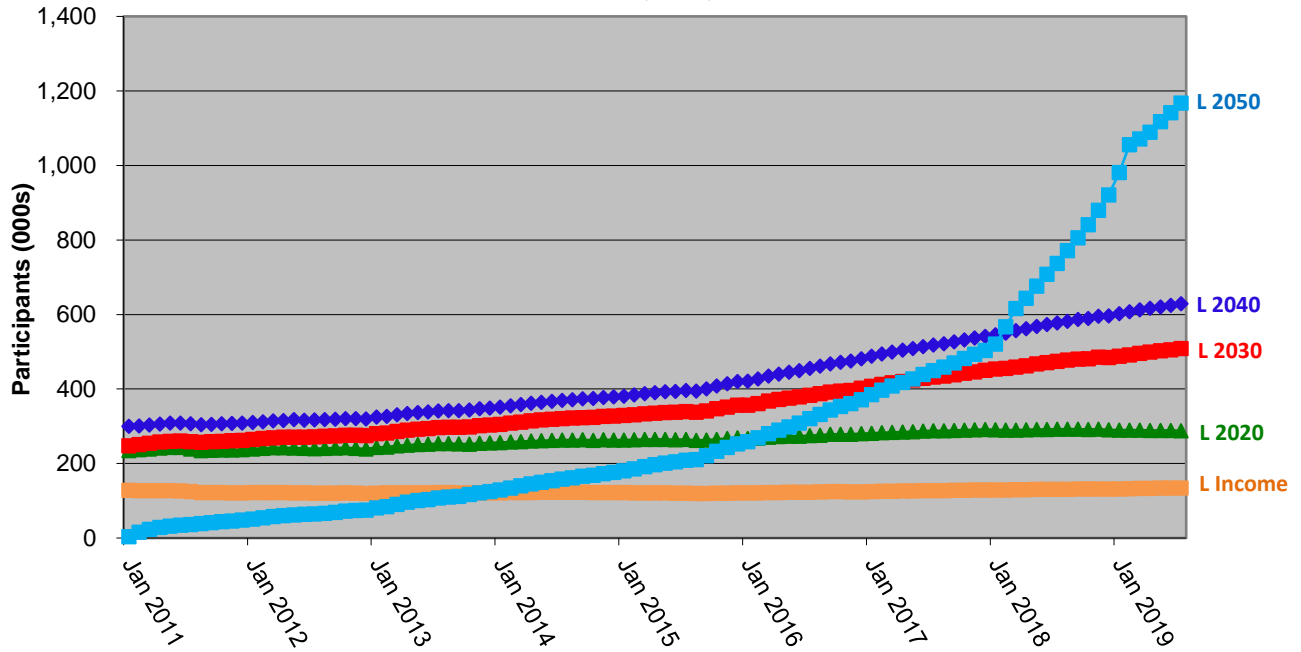
Components may not sum to totals because of rounding.

THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2019

Interfund Transfers July 2019

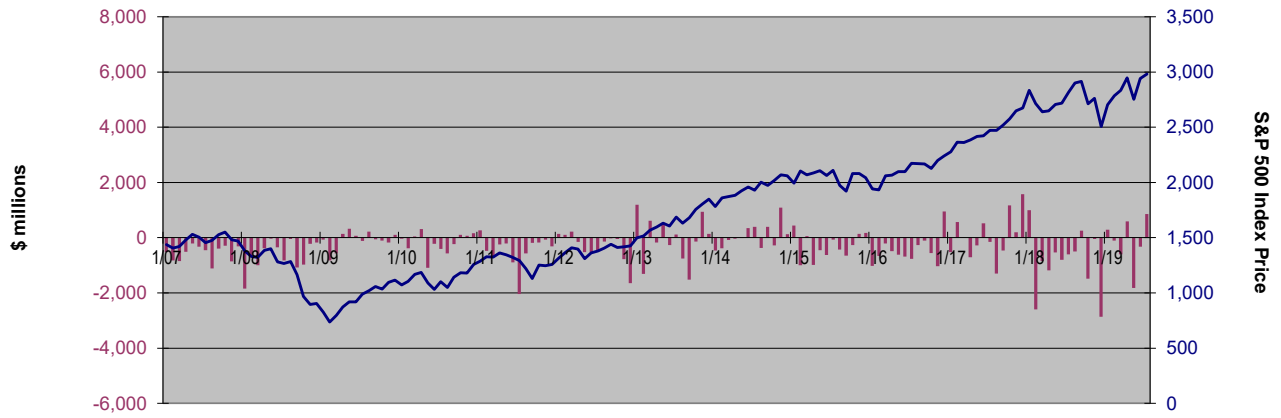


Number of L Fund Participants Total = 2,341,901

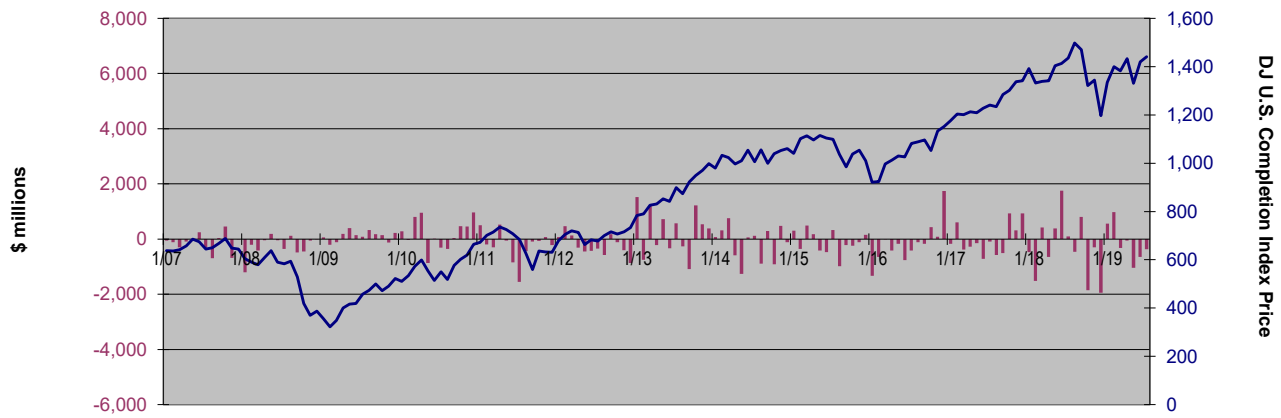


**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
JULY 2019**

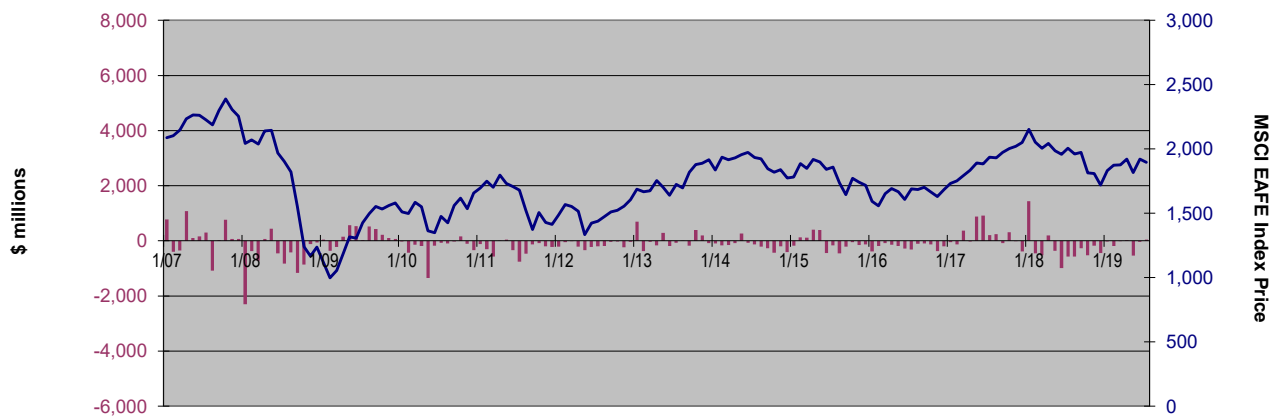
**Monthly Interfund Transfers
C Fund**



**Monthly Interfund Transfers
S Fund**

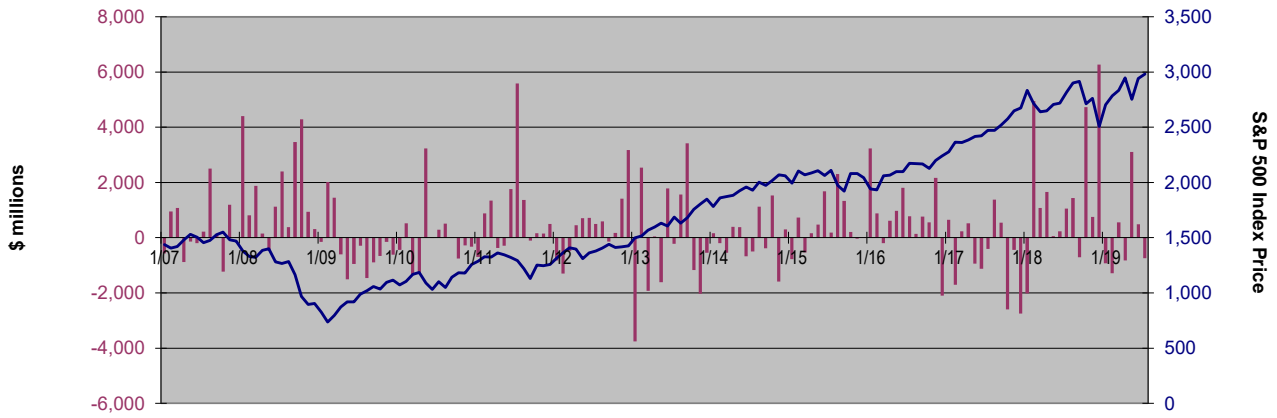


**Monthly Interfund Transfers
I Fund**

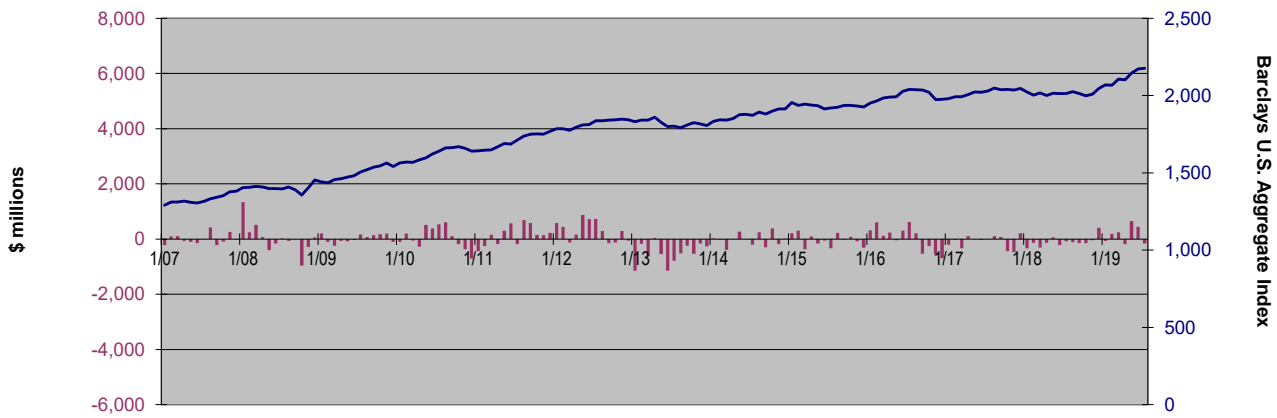


**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
JULY 2019**

**Monthly Interfund Transfers
G Fund**



**Monthly Interfund Transfers
F Fund**



**Monthly Interfund Transfers
L Funds**

