



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

November 14, 2018

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

SUBJECT: October 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	-0.78	-0.78	-0.79	0.01	0.00
Large Cap	-6.83	-6.84	-6.84	0.01	-0.01
Small Mid Cap	-10.06	-10.06	-10.07	0.01	0.00
International	-7.94	-7.94	-7.96	0.02	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	-2.22	-2.26	-2.38	0.16	-0.04
Large Cap	3.01	2.98	3.01	0.00	-0.03
Small Mid Cap	-0.28	-0.30	-0.48	0.20	-0.02
International	-8.88	-8.92	-9.28	0.40	-0.04

BlackRock's performance for the F, C, S and I Funds was in line with indices for the month. BlackRock outperformed the Fixed Income Index for the year-to-date by 16 basis points, primarily due to securities lending. The C Fund year-to-date was in line with the Large Cap Index. Its performance was ahead of the Small Cap Index by 20 basis points year-to-date, primarily due to securities lending and sampling. BlackRock outperformed the International Index by 40 basis points year-to-date, primarily due to tax effect.

The TSP Funds closely tracked the BTC Accounts for the month. The S Fund also closely tracked the BTC Accounts for the year-to-date. The Fixed Income Fund, Large Cap Fund and International Fund tracked slightly lower for the year-to-date due to trading costs.

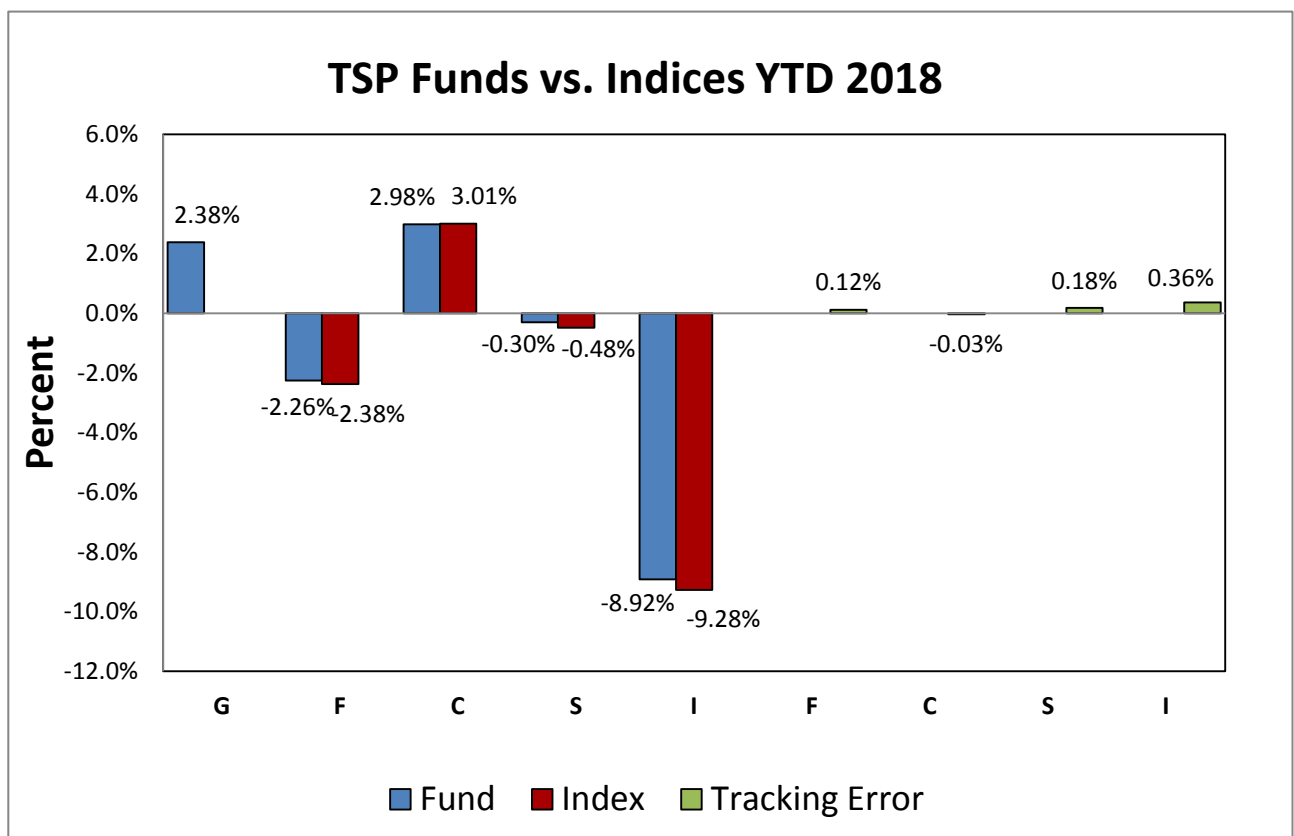
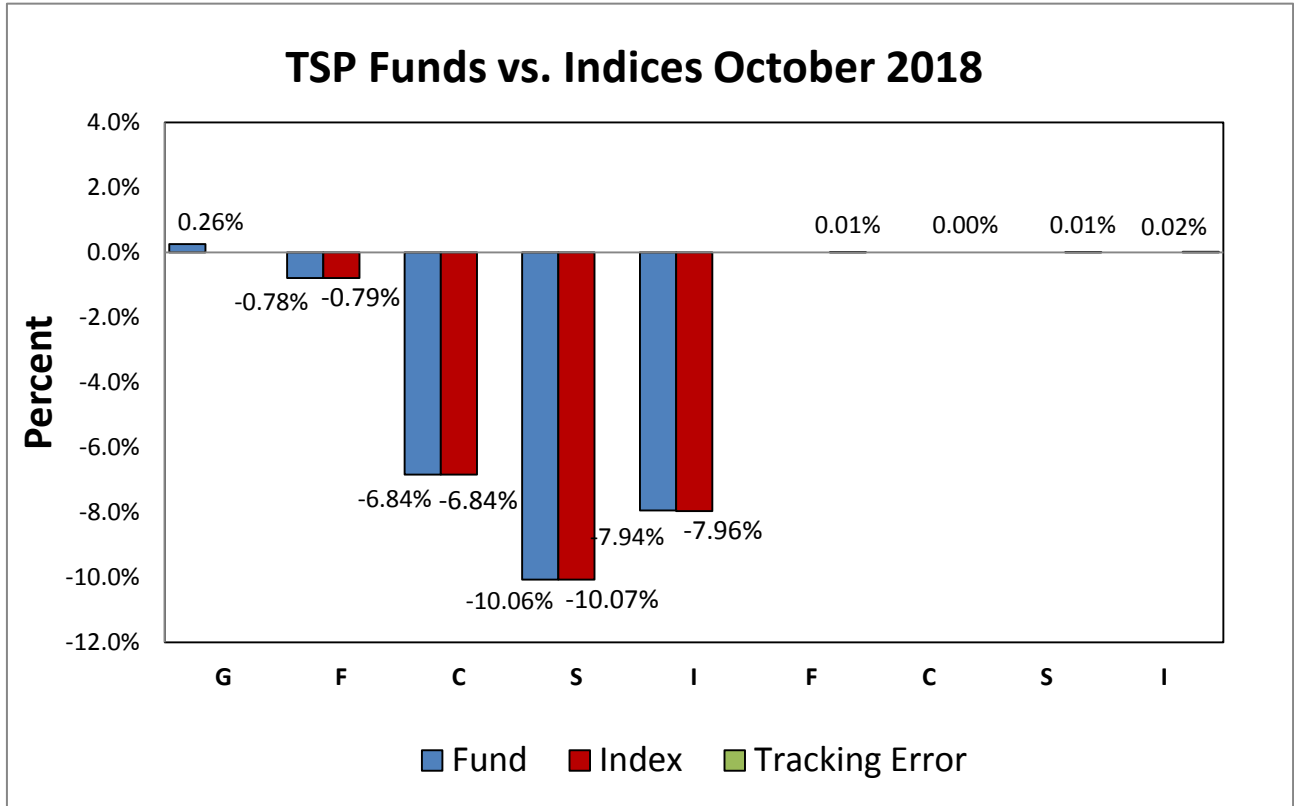
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
October	1,119,120,290	24,570	0.2
Year-to-Date	8,679,497,024	115,854	0.1
<u>C Fund</u>			
October	4,571,593,256	1,781,155	3.9
Year-to-Date	28,642,324,270	(7,417,109)	-2.6
<u>S Fund</u>			
October	2,340,854,587	201,788	0.9
Year-to-Date	17,751,023,913	(6,127,414)	-3.5
<u>I Fund</u>			
October	1,707,863,955	507,696	3.0
Year-to-Date	16,868,800,230	5,832,047	3.5

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

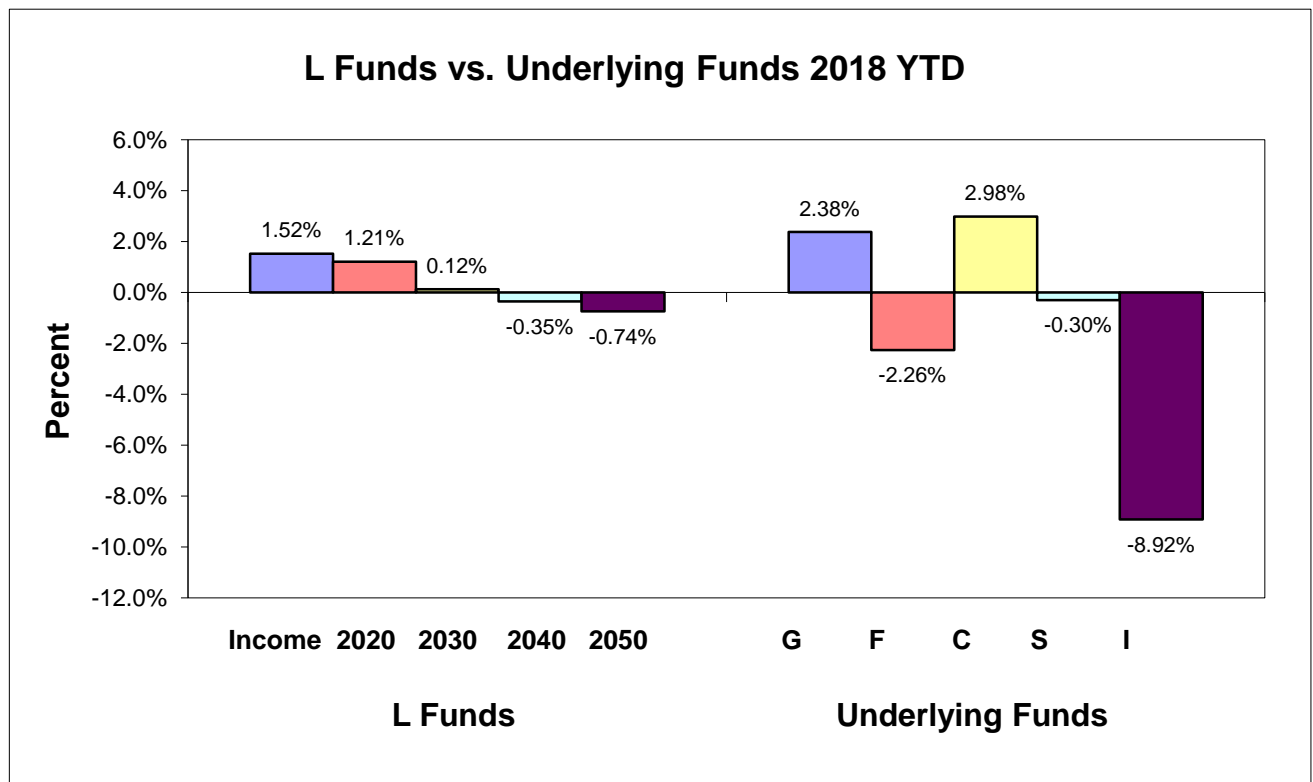
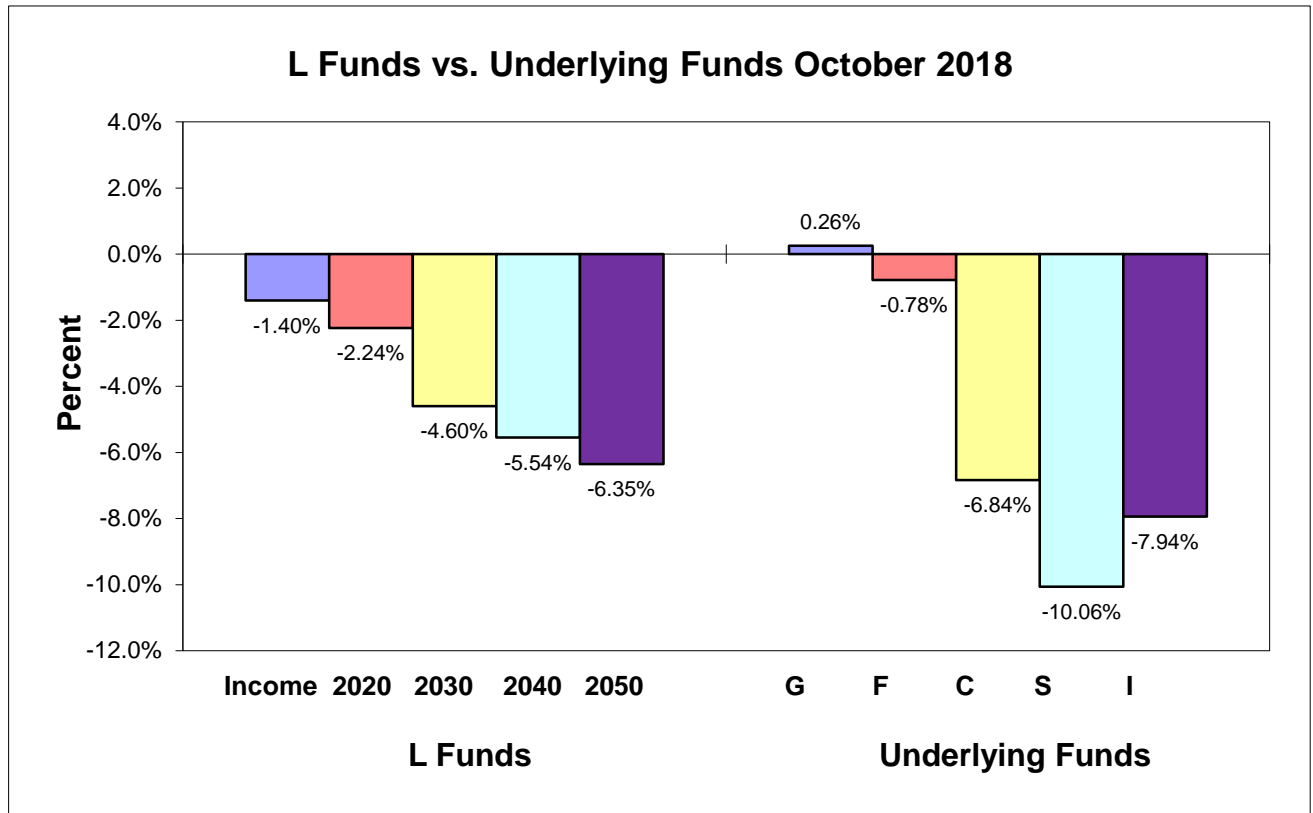
Performance of TSP Funds Total Returns

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



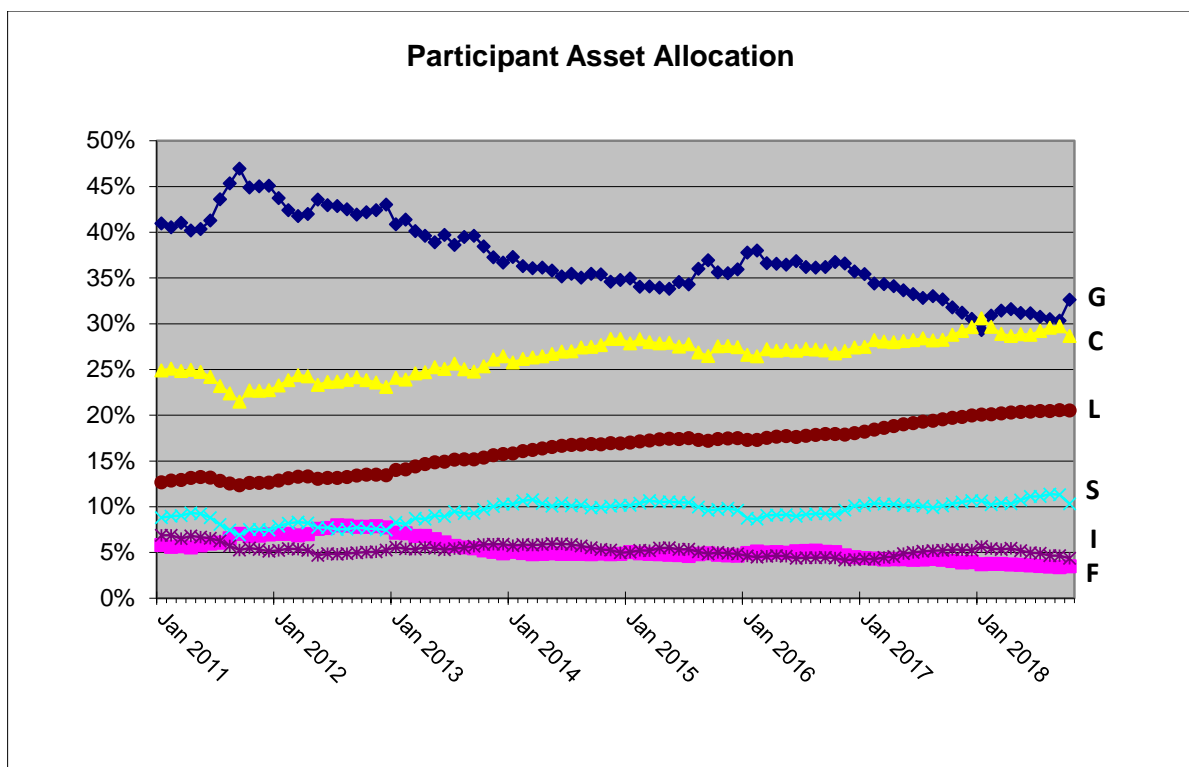
L Funds

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
OCTOBER 2018**

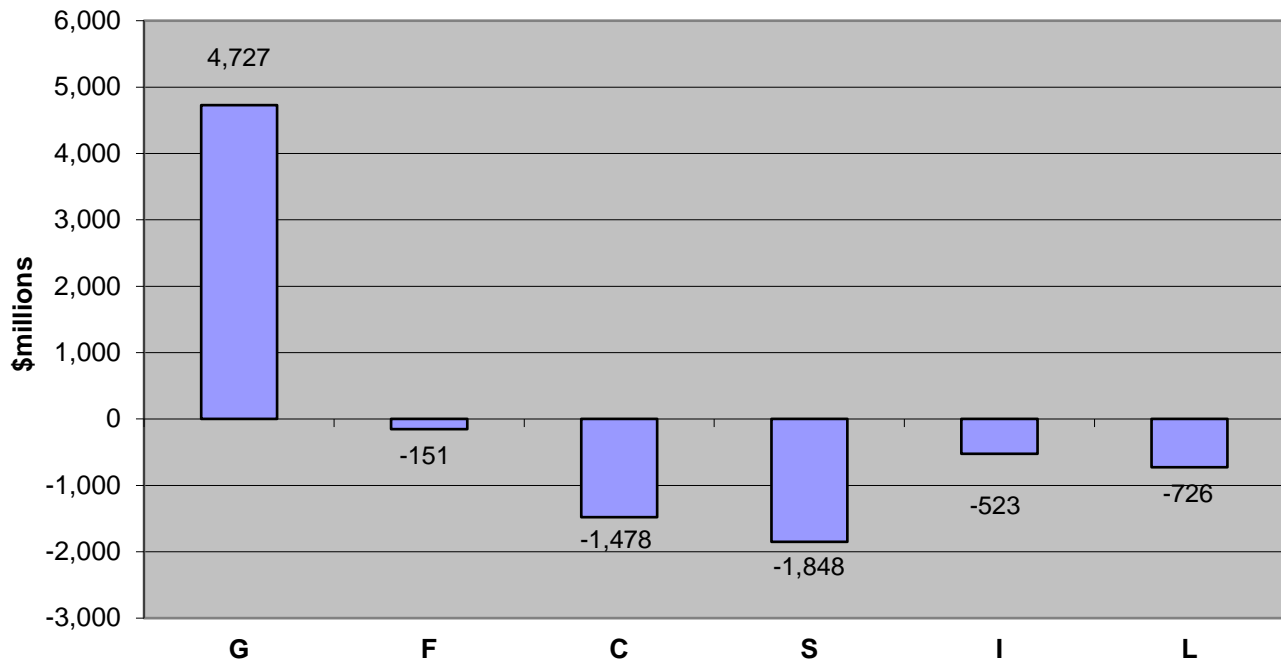
Attachment 1



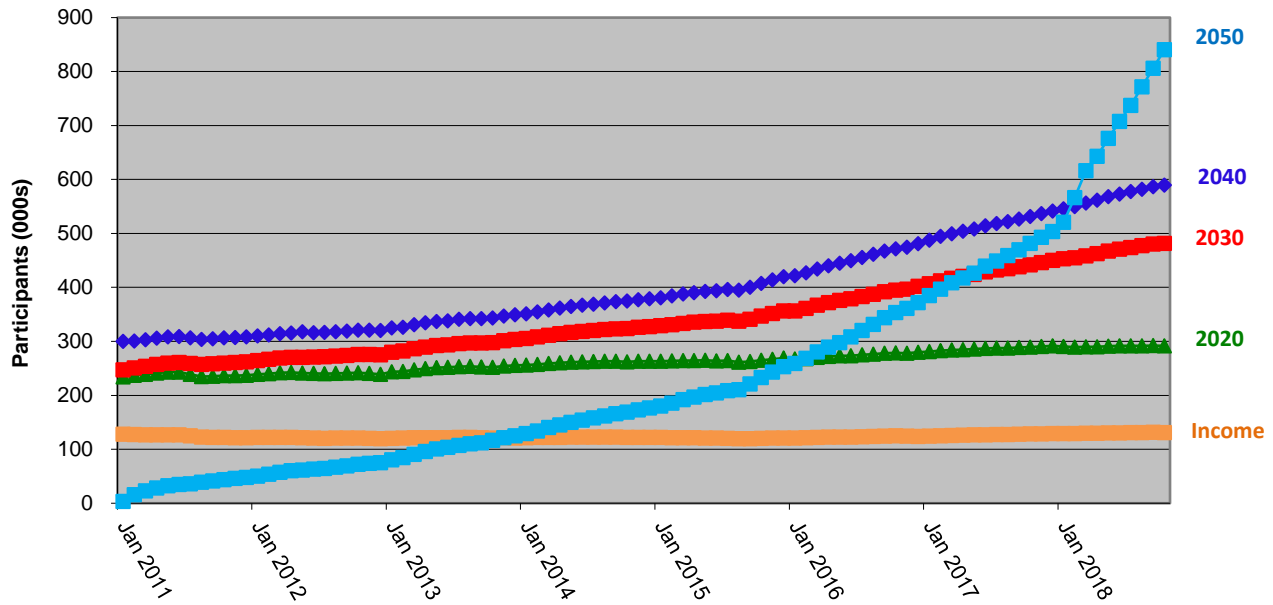
TSP Assets -- Participant Allocation (October 31, 2018)			TSP Assets -- By Core Funds (October 31, 2018)		
Fund	<u>Dollars (Billion USD)</u>	<u>Percent</u>	Fund	<u>Dollars (Billion USD)</u>	<u>Percent</u>
G Fund	\$180.8	32.6%	G Fund	\$223.6	40.4%
F Fund	\$19.3	3.5%	F Fund	\$27.0	4.9%
C Fund	\$158.7	28.7%	C Fund	\$192.8	34.8%
S Fund	\$57.1	10.3%	S Fund	\$67.1	12.1%
I Fund	\$24.2	4.4%	I Fund	<u>\$43.2</u>	<u>7.8%</u>
L Fund	<u>\$113.5</u>	<u>20.5%</u>	Total	\$553.7	100%
Total	\$553.7	100%			

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

October 2018 -- Interfund Transfers

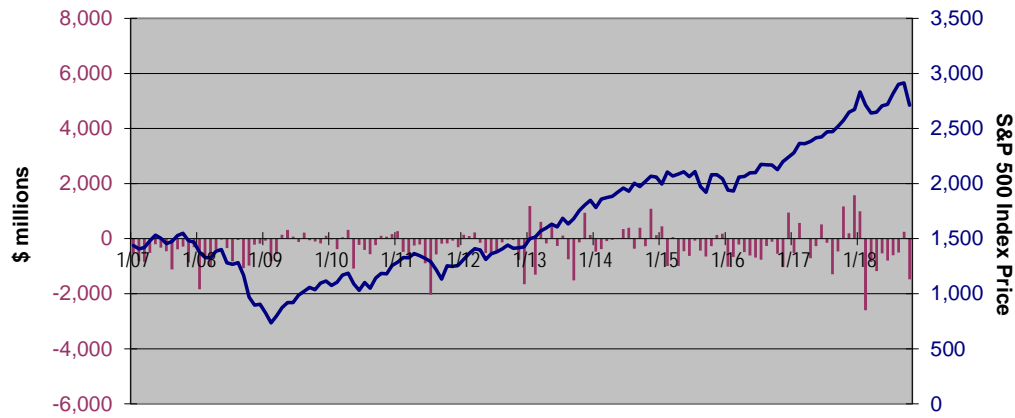


**Number of L Fund Participants
Total = 1,960,206**

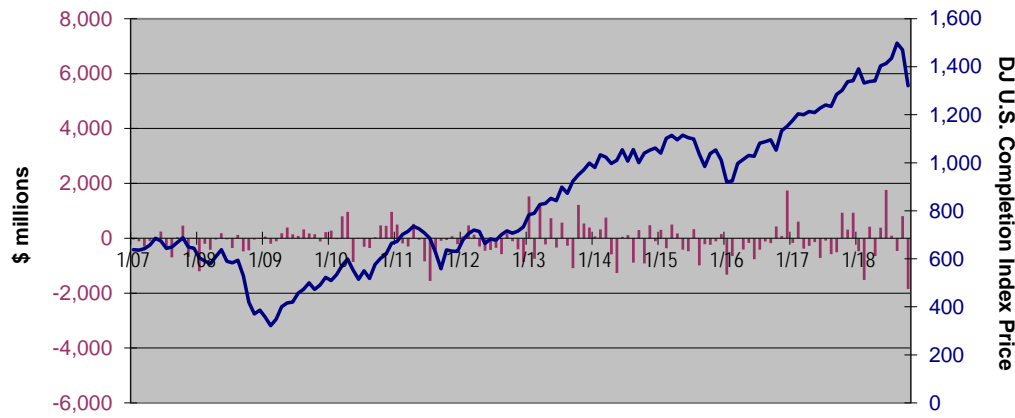


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY OCTOBER 2018

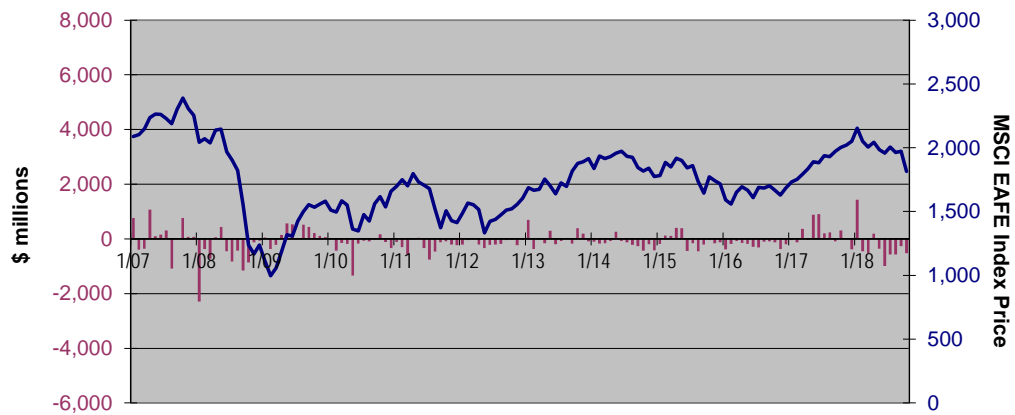
Monthly Interfund Transfers C Fund



Monthly Interfund Transfers S Fund

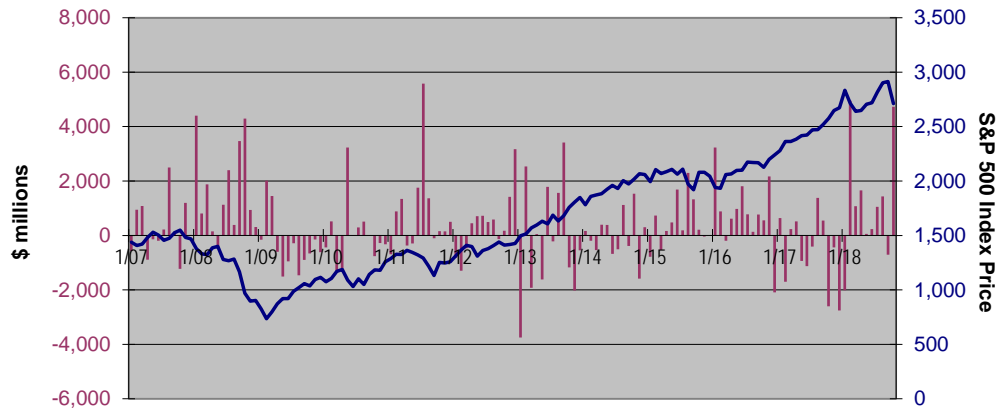


Monthly Interfund Transfers I Fund

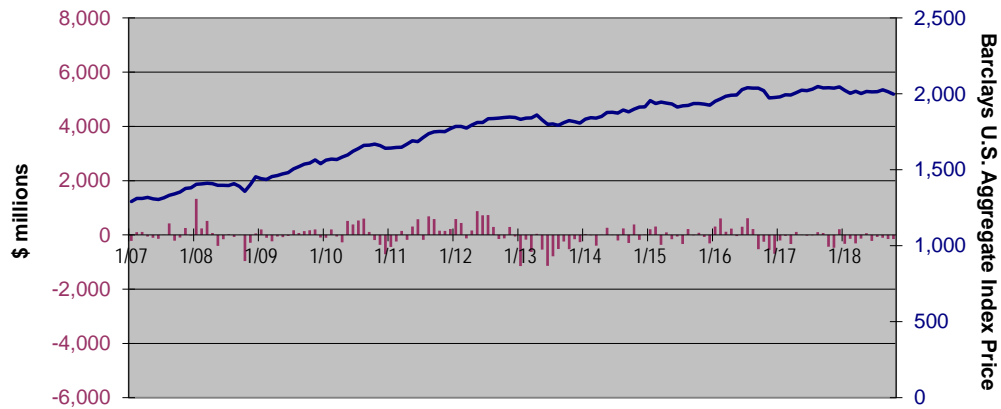


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY OCTOBER 2018

Monthly Interfund Transfers G Fund



Monthly Interfund Transfers F Fund



Monthly Interfund Transfers L Funds

