



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

June 4, 2015

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: RAVINDRA DEO
CHIEF INVESTMENT OFFICER

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

TRACKING ERROR - BlackRock Funds (BTC)

May Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.26	-0.24	-0.02
Large Cap	1.29	1.29	0.00
Small Mid Cap	1.84	1.83	0.01
International	-0.42	-0.51	0.09

2015 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	1.14	1.00	0.14
Large Cap	3.27	3.23	0.04
Small Mid Cap	5.73	5.57	0.16
International	9.61	8.60	1.01

The International Fund outperformed the index by 9 basis points for the month as a result of the tax effect and 101 basis points for the year primarily due to a fair value pricing adjustment on December 31, 2014. The Fixed Income Fund outperformed the index by 17 basis points for the year due to pricing differences and securities lending. The Small Mid Cap Fund outperformed the index by 16 basis points for the year due to securities sampling and securities lending.

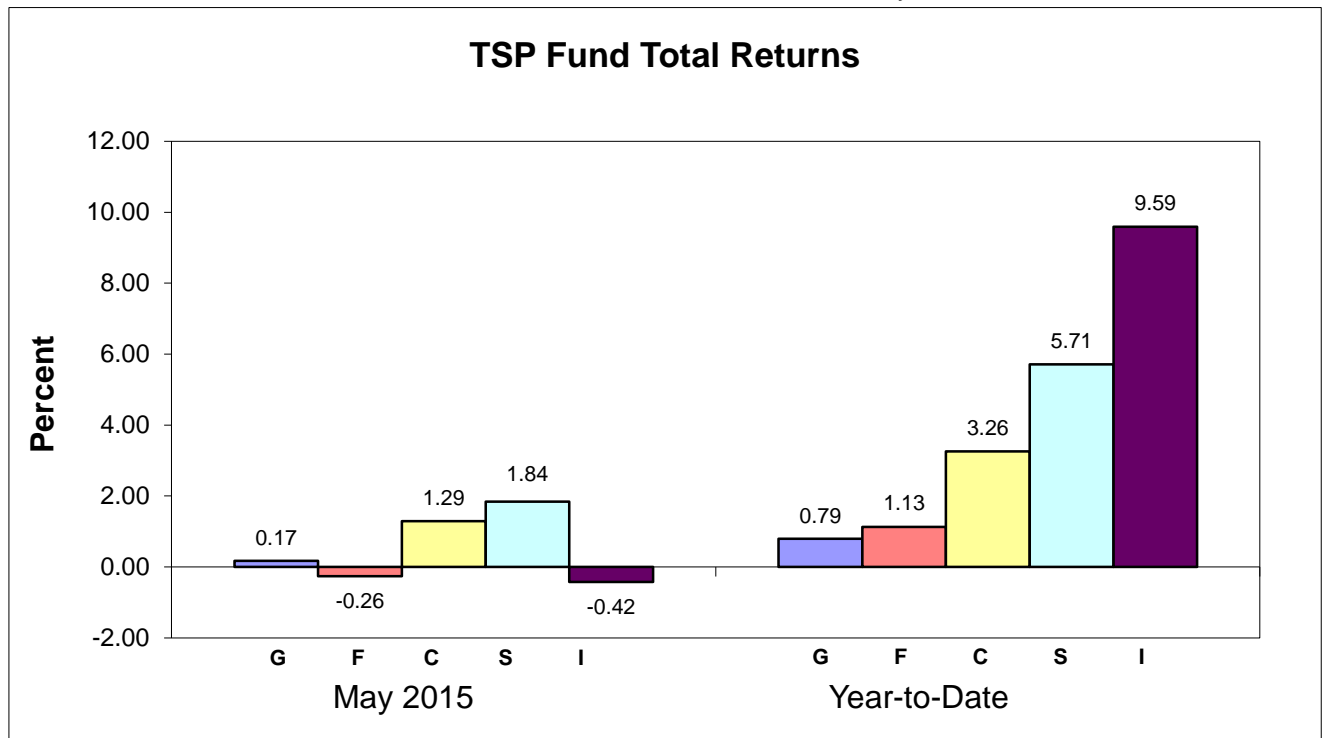
Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs*</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
May 2015	369,791,923	(9,261)	-0.3
Year-to-Date	3,109,741,712	254,915	0.8
<u>C Fund</u>			
May 2015	2,139,993,291	(274,277)	-1.3
Year-to-Date	10,084,998,733	(680,798)	-0.7
<u>S Fund</u>			
May 2015	1,329,847,906	(111,629)	-0.8
Year-to-Date	6,356,656,617	376,738	0.6
<u>I Fund</u>			
May 2015	1,126,974,035	721,045	6.4
Year-to-Date	5,190,585,717	2,978,038	5.7

* -- 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 May 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.

May 2015

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.26	-0.26	0.00	-0.24
Large Cap	1.29	1.29	0.00	1.29
Small Cap	1.84	1.84	0.00	1.83
International	-0.42	-0.42	0.00	-0.51

2015

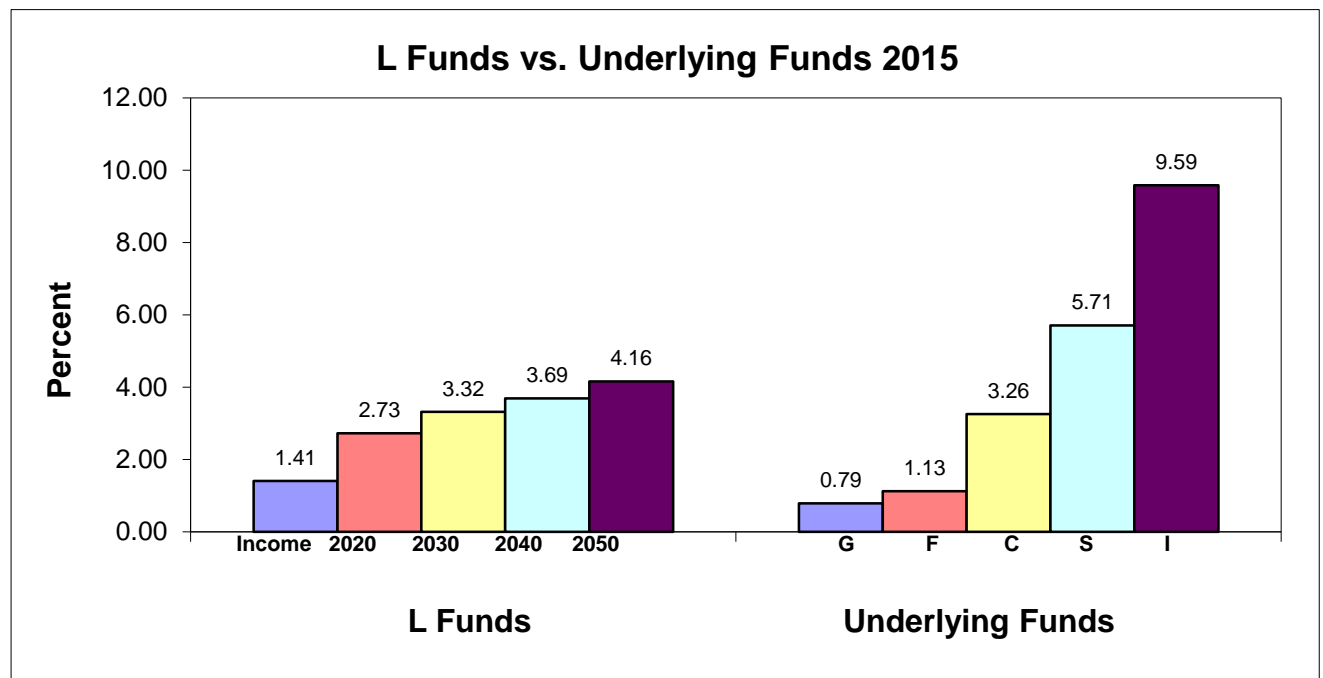
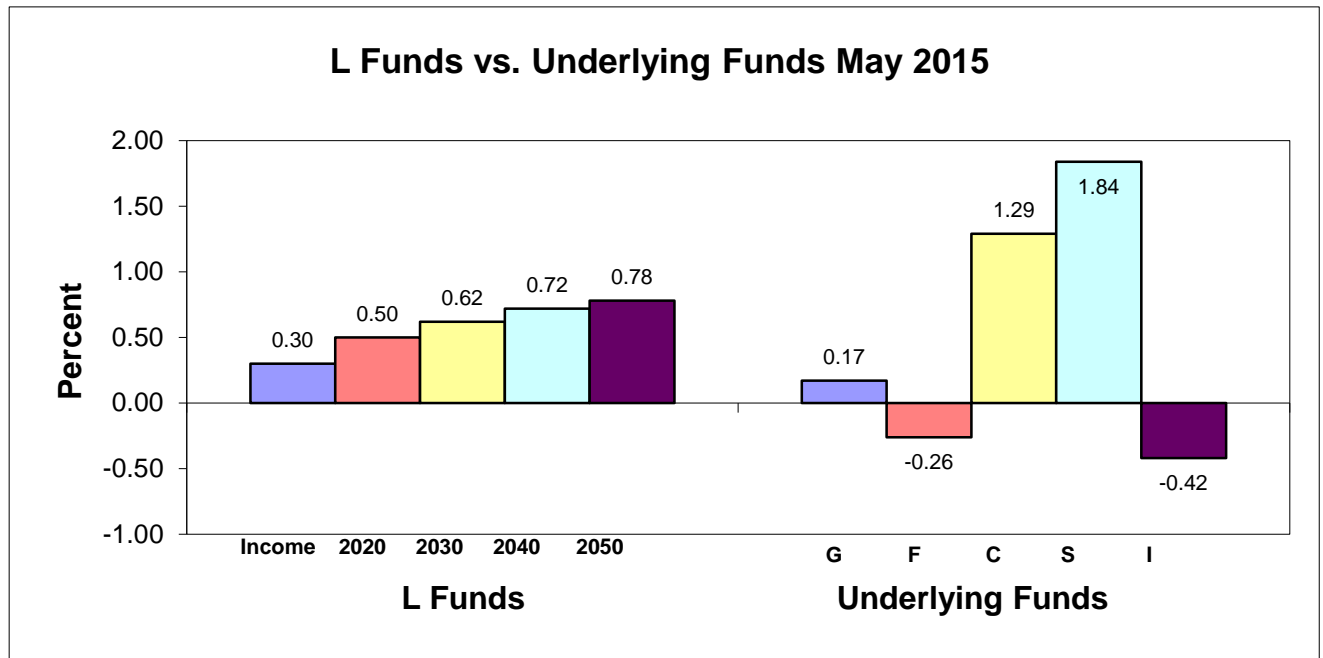
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	1.13	1.14	-0.01	1.00
Large Cap	3.26	3.27	-0.01	3.23
Small Cap	5.71	5.73	-0.02	5.57
International	9.59	9.61	-0.02	8.60

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

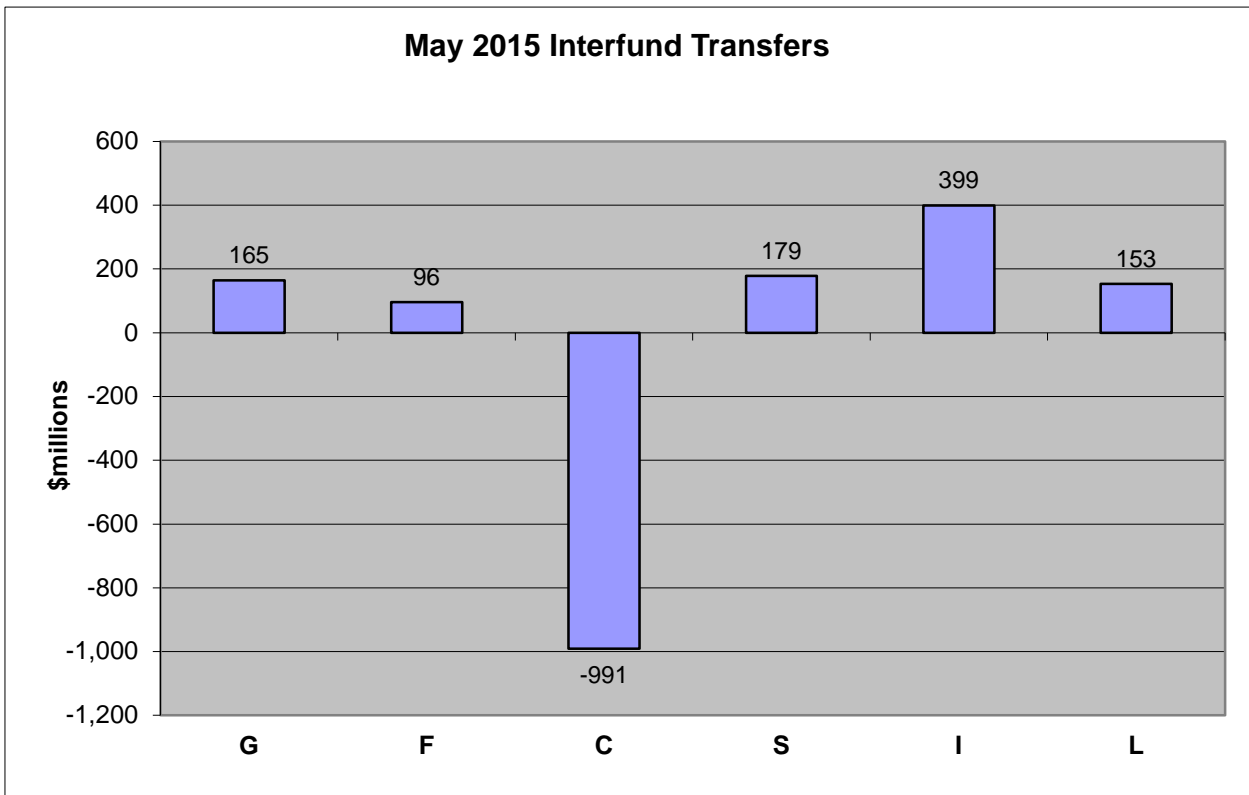
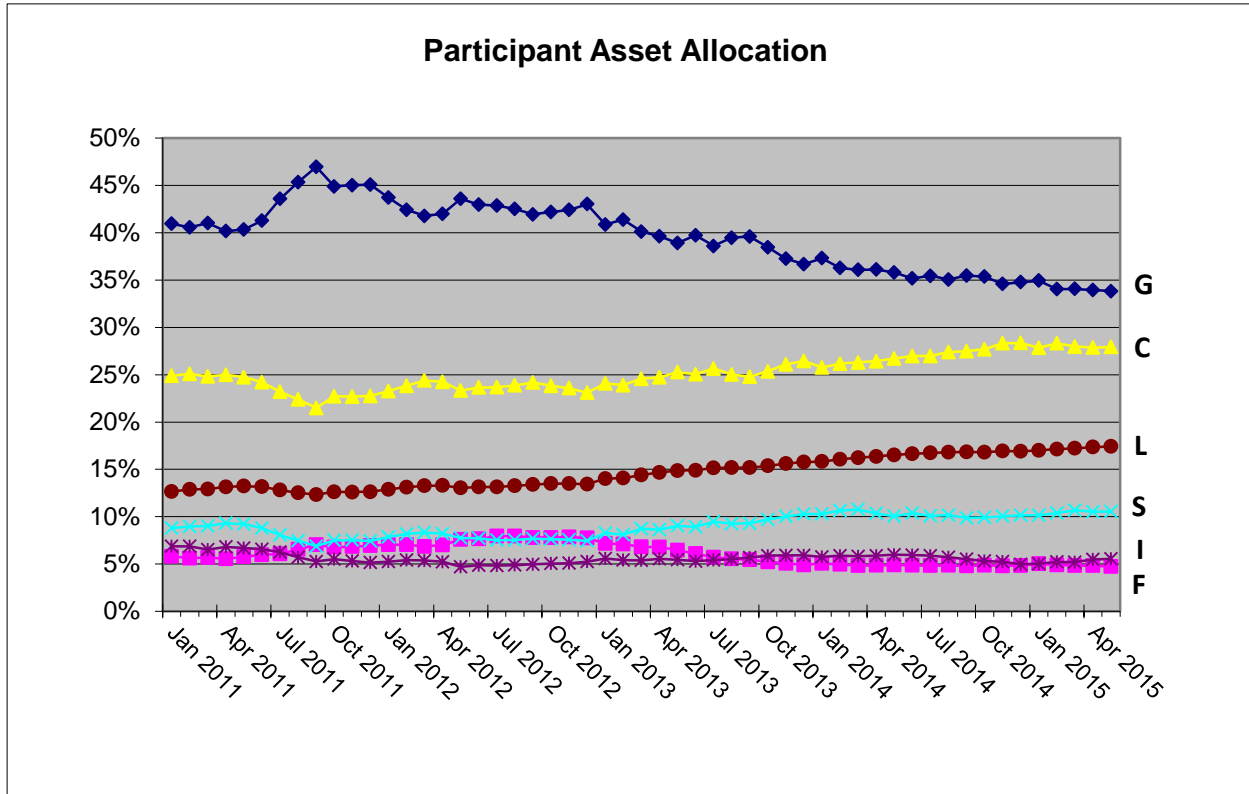
L Funds

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
May 2015

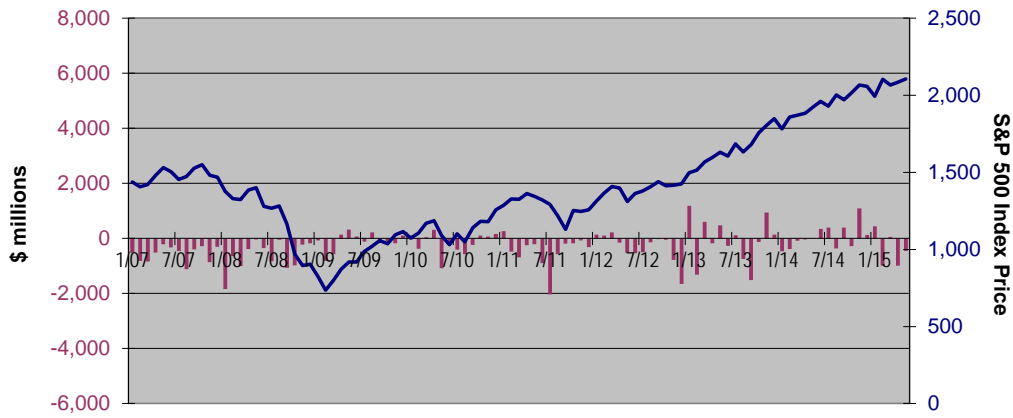
Attachment 1



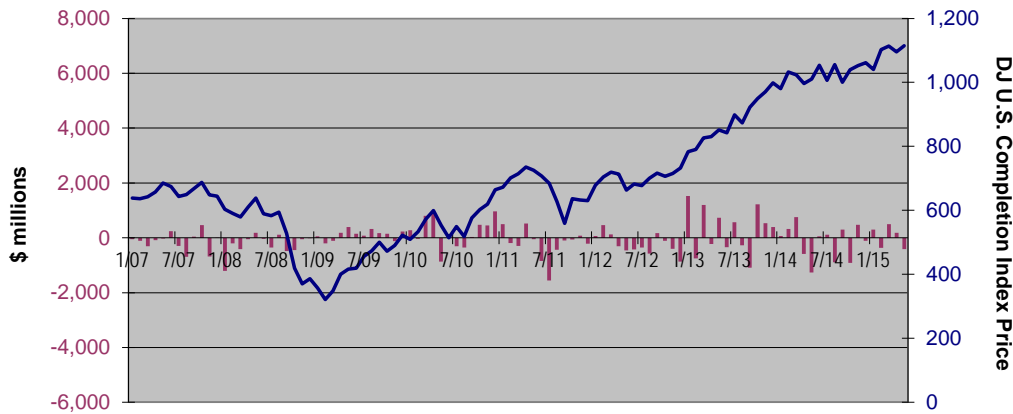
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May 2015

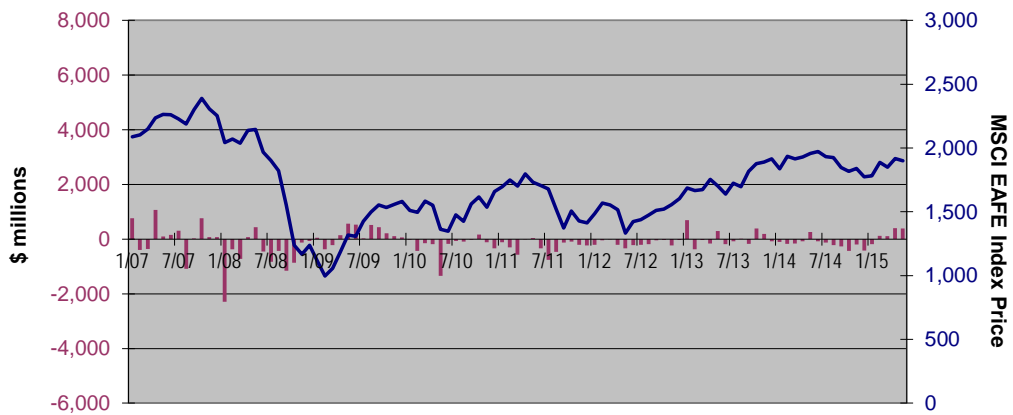
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



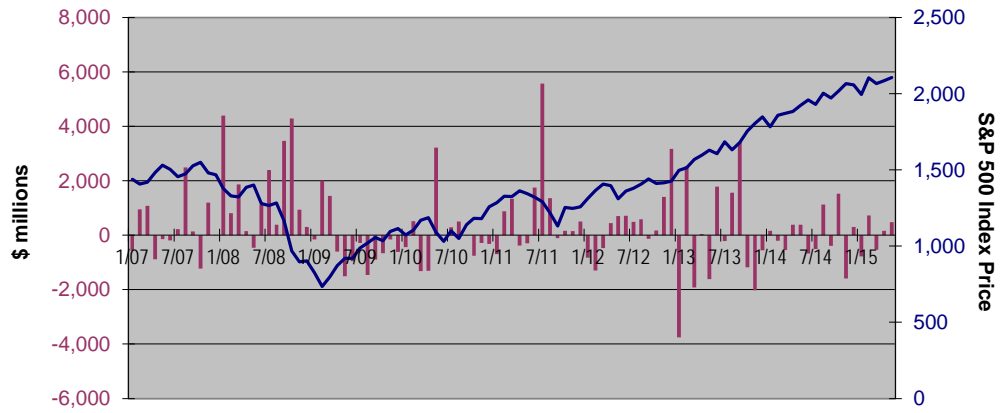
Monthly Interfund Transfers
I Fund



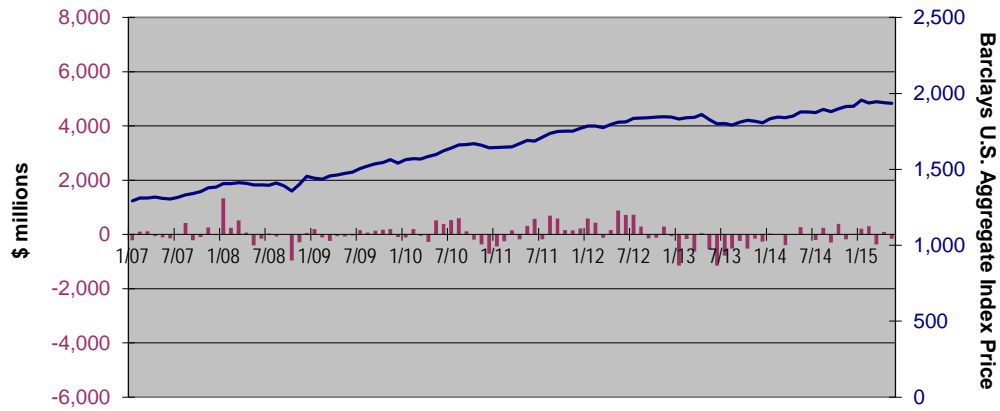
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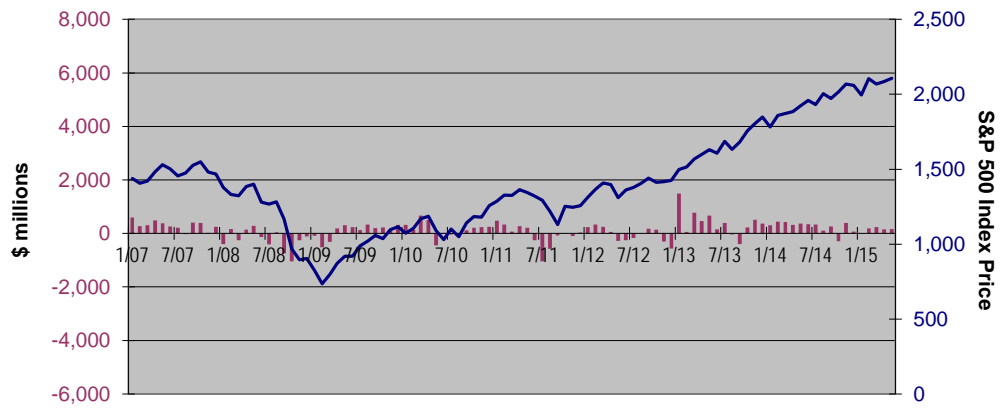
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

May 2015

