



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

March 8, 2018

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

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SUBJECT: February 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	-0.96	-0.96	-0.95	-0.01	0.00
Large Cap	-3.69	-3.69	-3.69	0.00	0.00
Small Mid Cap	-3.80	-3.79	-3.79	-0.01	0.01
International	-5.06	-5.07	-4.51	-0.55	-0.01

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	-2.08	-2.09	-2.09	0.01	-0.01
Large Cap	1.82	1.82	1.83	-0.01	0.00
Small Mid Cap	-0.58	-0.58	-0.57	-0.01	0.00
International	-0.31	-0.32	0.28	-0.59	-0.01

BlackRock's performance for the F, C and S Funds was in-line with indices for the month. BlackRock underperformed the International index by 55 basis points for the month and 59 basis points for the year-to-date primarily due to a fair value pricing adjustment on February 28, 2018.

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

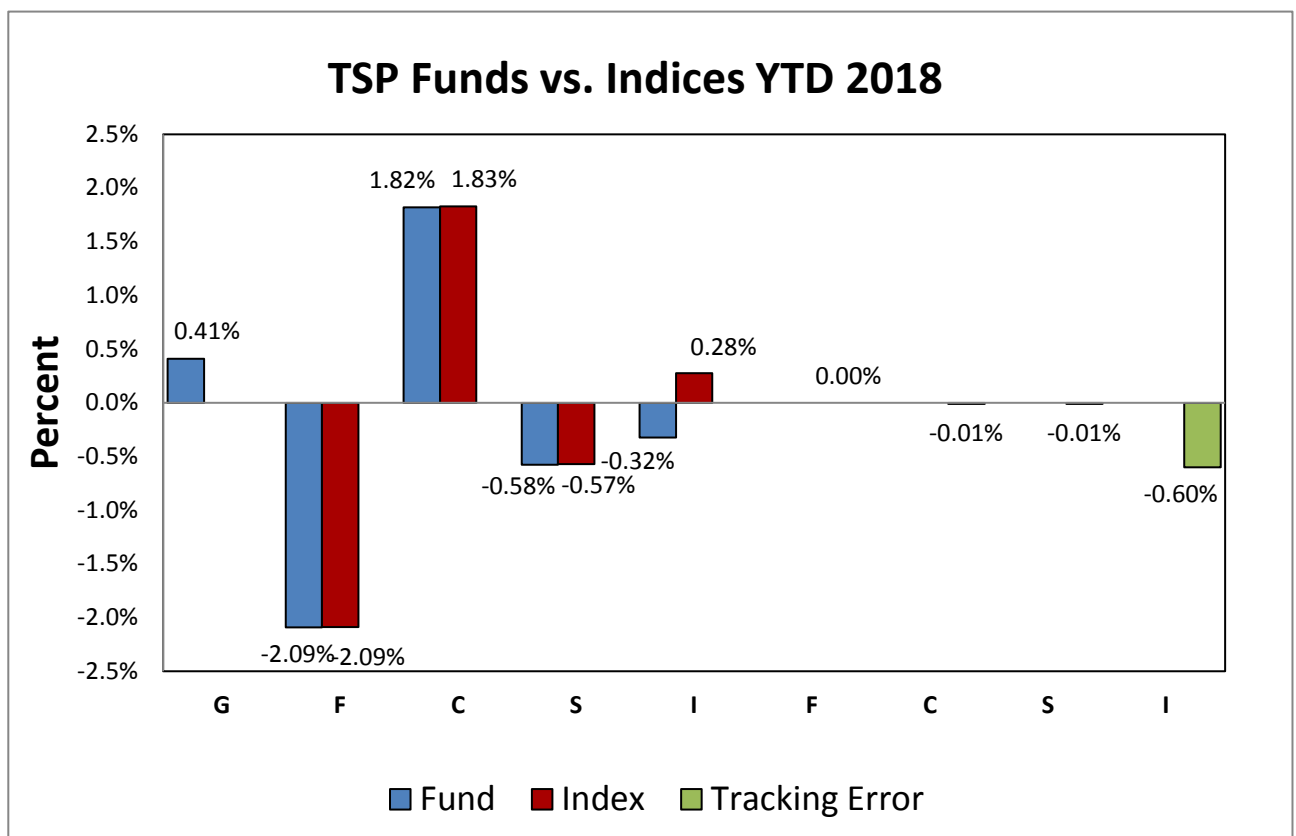
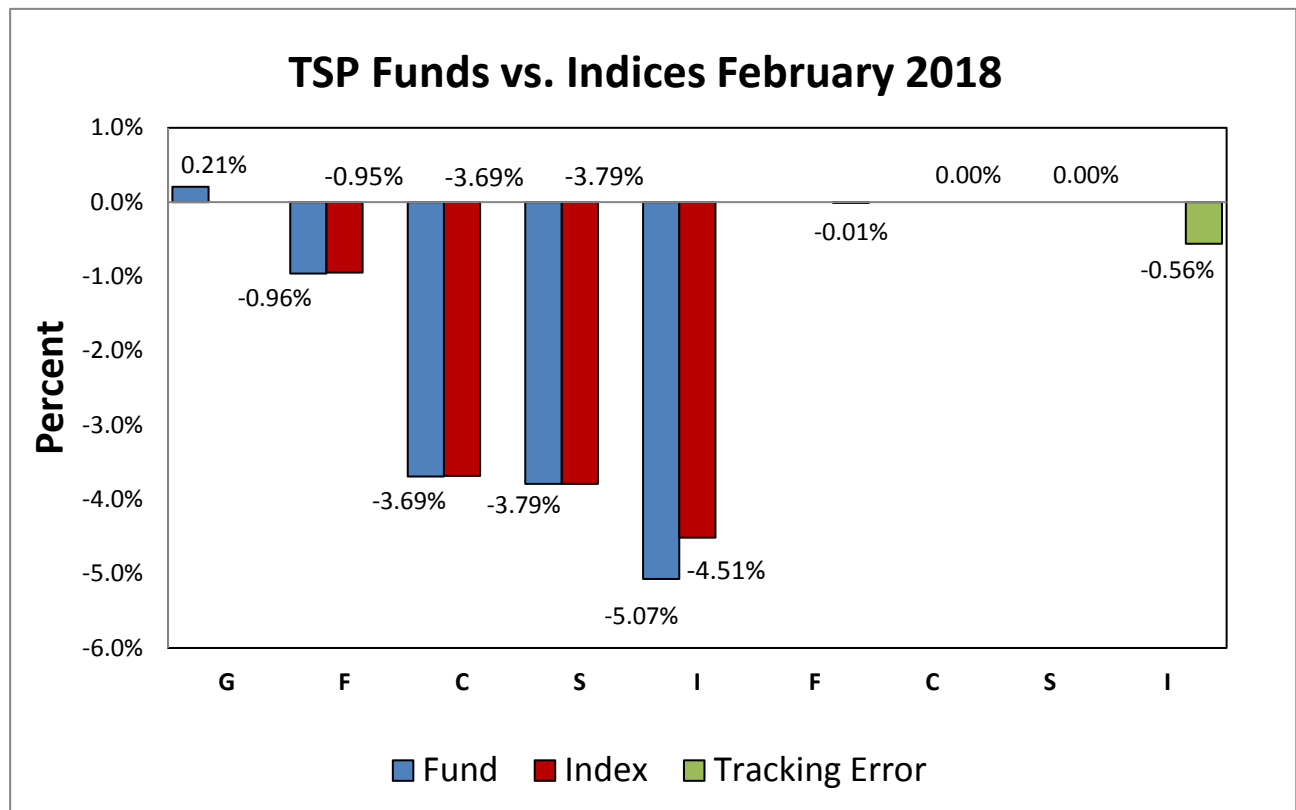
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
February	1,072,282,507	2,014	0.0
Year-to-Date	2,243,085,911	27,876	0.1
<u>C Fund</u>			
February	5,194,449,068	(5,712,994)	-11.0
Year-to-Date	7,323,499,766	(6,087,644)	-8.3
<u>S Fund</u>			
February	3,148,117,998	(5,457,122)	-17.3
Year-to-Date	4,438,584,705	(5,461,502)	-12.3
<u>I Fund</u>			
February	1,712,235,709	762,118	4.5
Year-to-Date	4,053,677,653	3,885,952	9.6

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

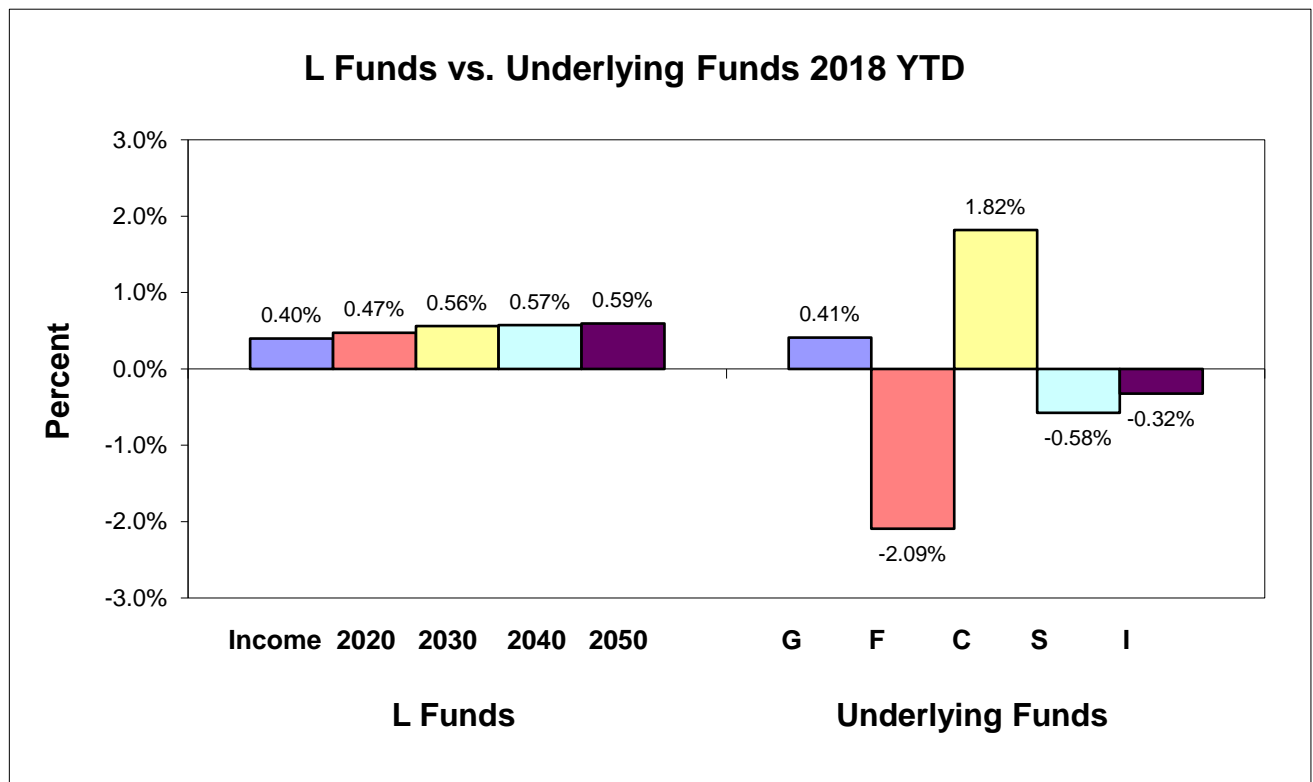
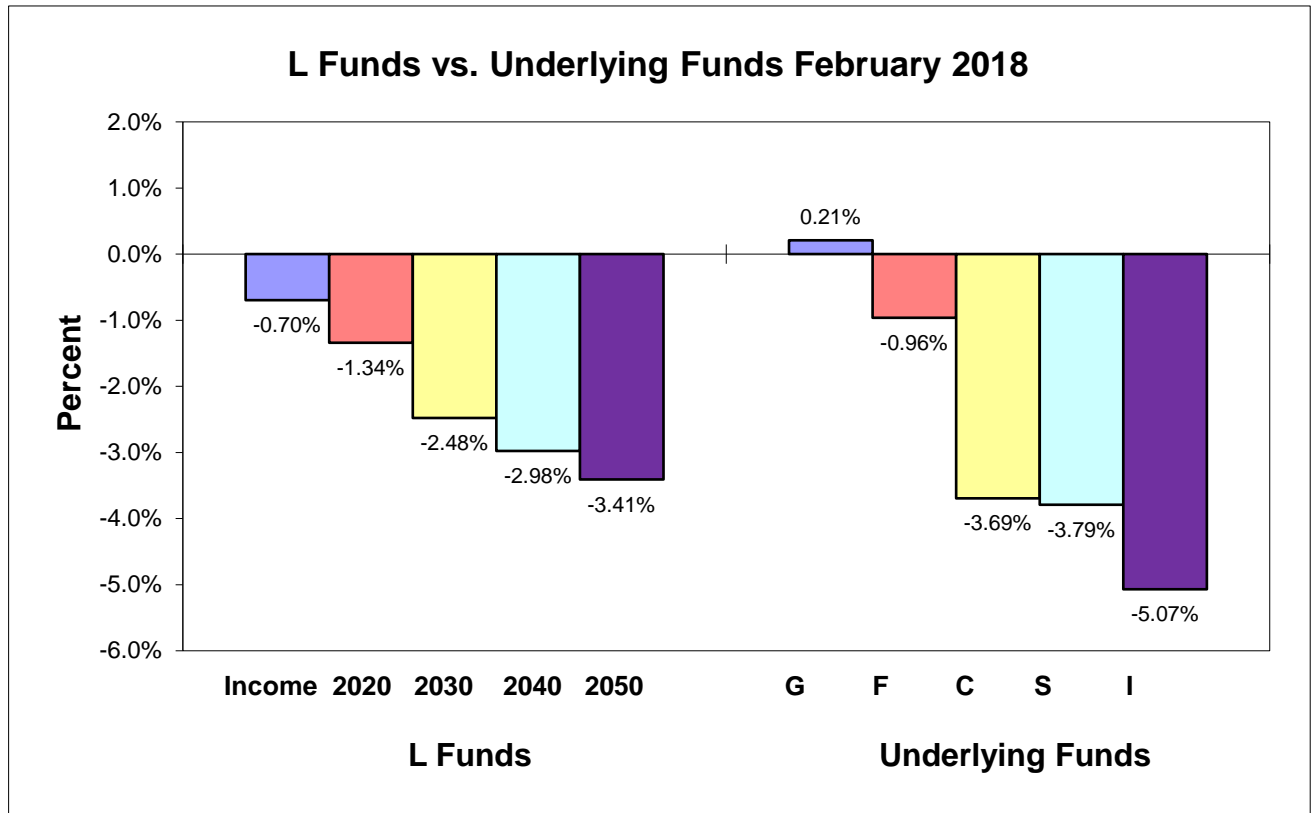
Performance of TSP Funds Total Returns

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



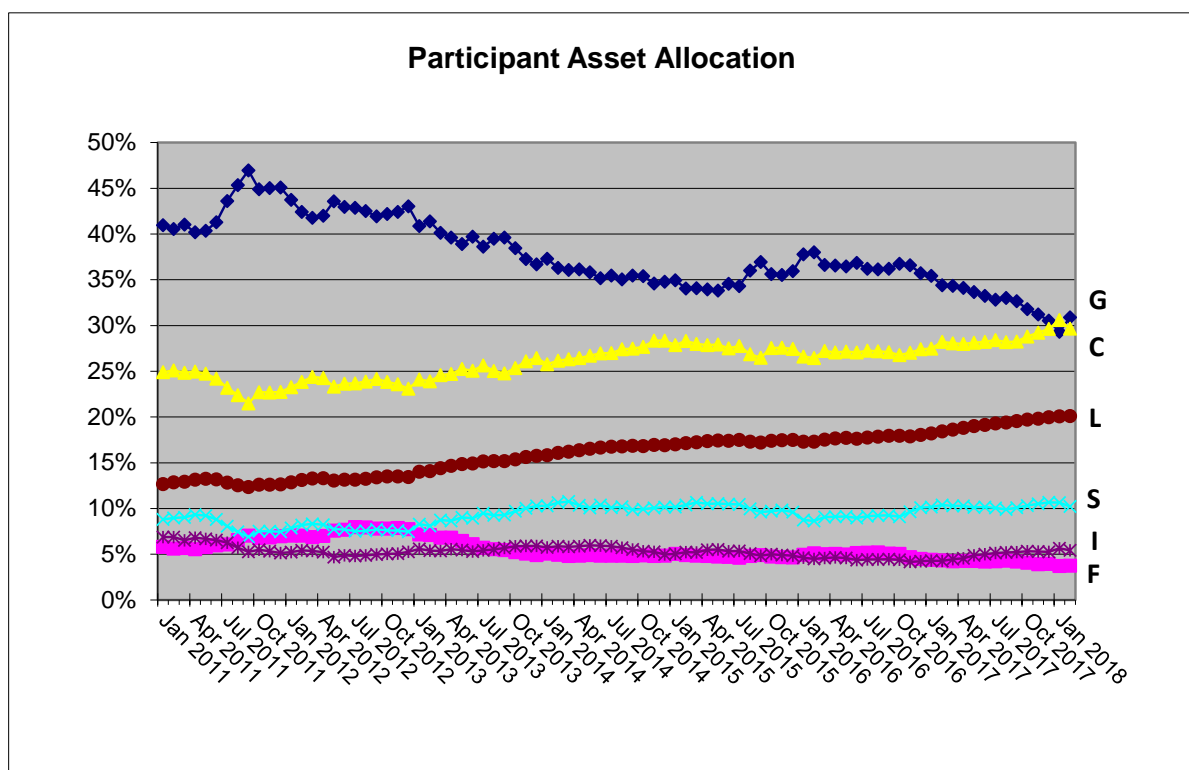
L Funds

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
February 2018

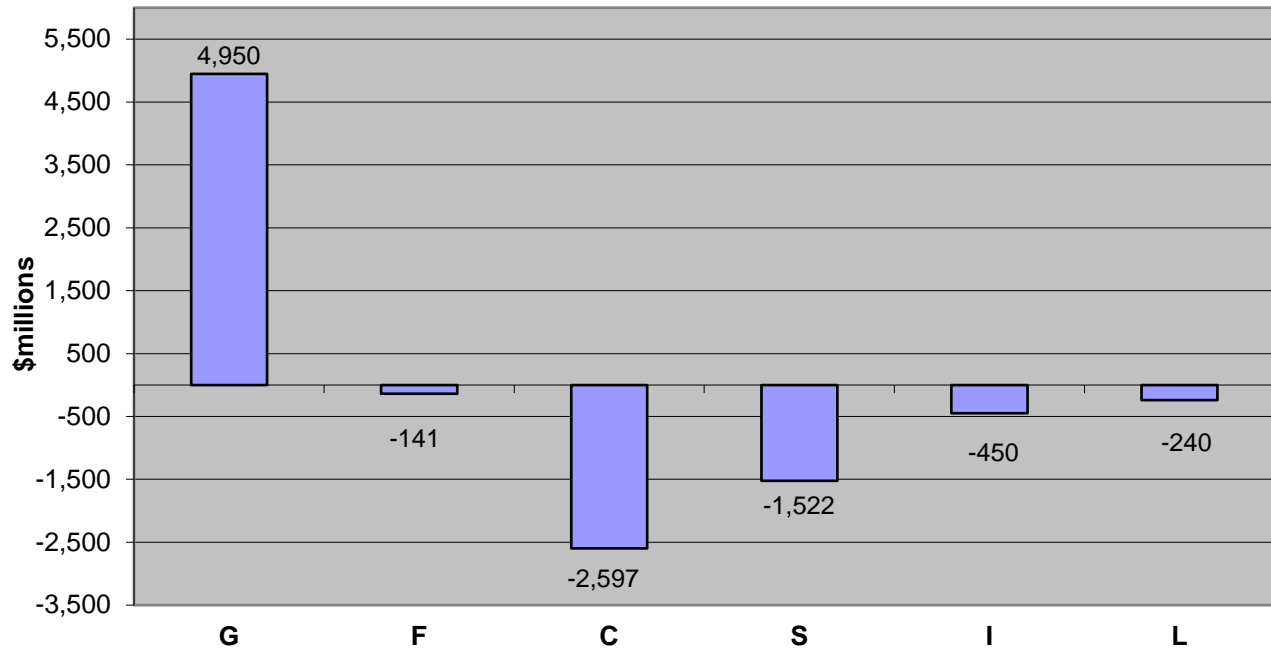
Attachment 1



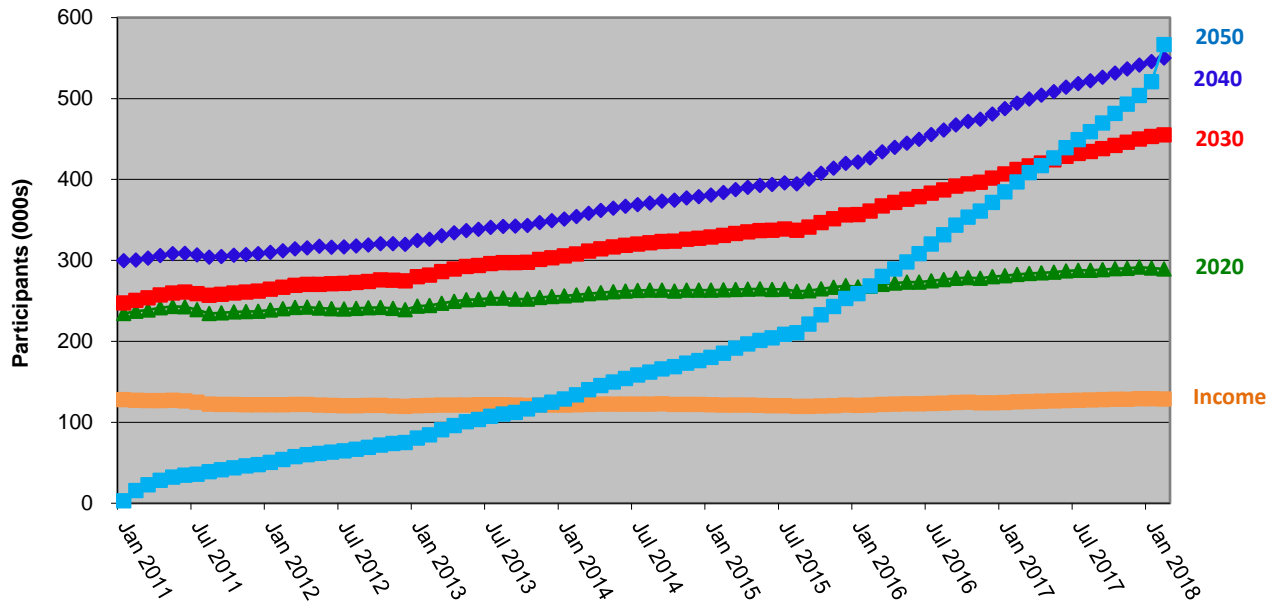
TSP Assets -- Participant Allocation (February 28, 2018)			TSP Assets -- By Fund (February 28, 2018)		
Fund	Dollars (Billion USD)	Percent	Fund	Dollars (Billion USD)	Percent
G Fund	\$169.4	31.0%	G Fund	\$210.1	38.4%
F Fund	\$20.5	3.7%	F Fund	\$27.7	5.1%
C Fund	\$162.0	29.6%	C Fund	\$195.4	35.7%
S Fund	\$55.7	10.2%	S Fund	\$65.6	12.0%
I Fund	\$29.6	5.4%	I Fund	\$48.1	8.8%
L Fund	\$109.8	20.1%	Total	\$546.8	100%
Total	\$546.8	100%			

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

February 2018 -- Interfund Transfers



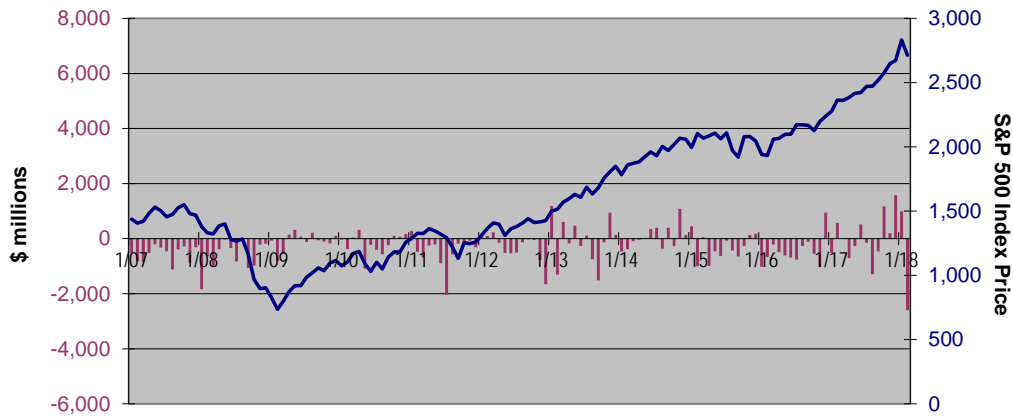
**Number of L Fund Participants
Total = 1,637,070**



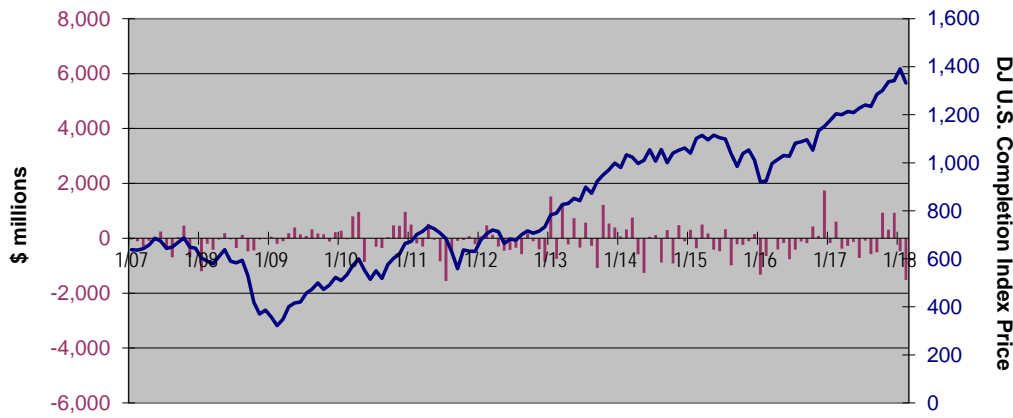
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2018

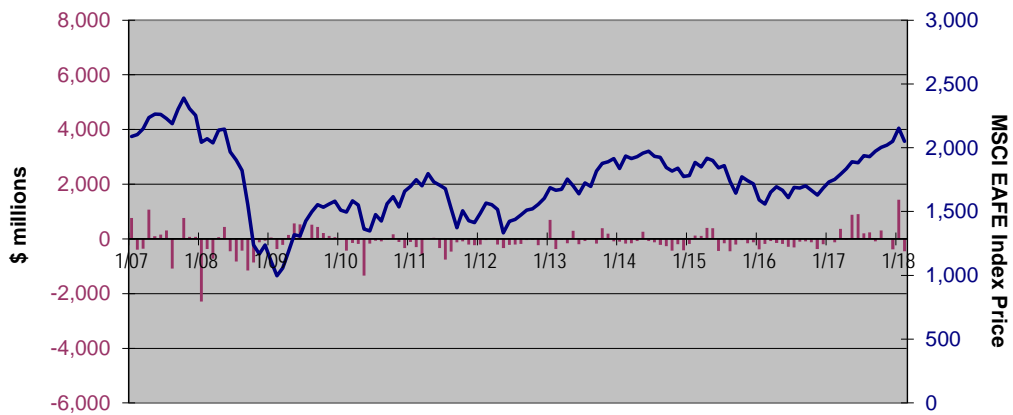
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



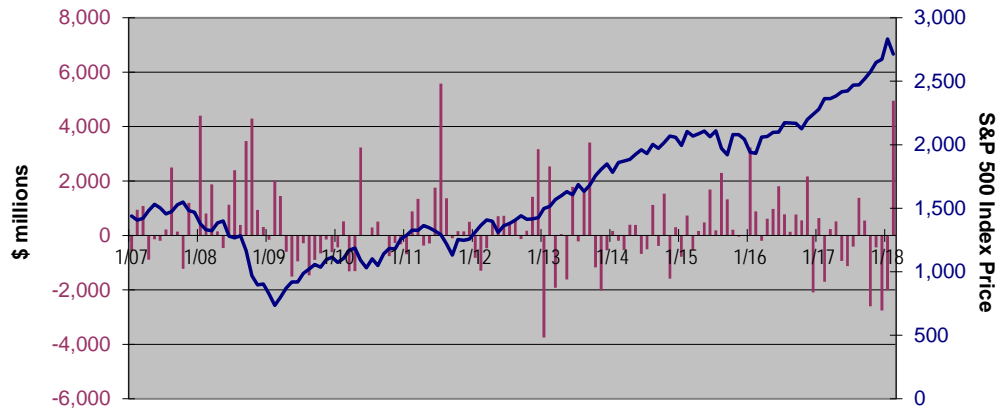
Monthly Interfund Transfers
I Fund



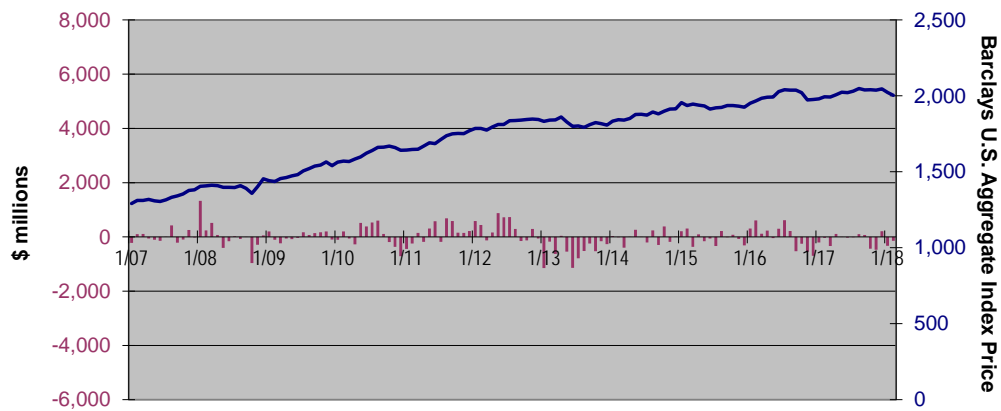
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

February 2018

Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds

