



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

August 5, 2015

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: RAVINDRA DEO
CHIEF INVESTMENT OFFICER

A handwritten signature in blue ink, appearing to be "RD", is written over the name "RAVINDRA DEO".

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

TRACKING ERROR - BlackRock Funds (BTC)

July Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	0.74	0.70	0.04
Large Cap	2.10	2.10	0.00
Small Mid Cap	-0.12	-0.12	0.00
International	2.07	2.08	-0.01

2015 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	0.81	0.59	0.22
Large Cap	3.41	3.35	0.06
Small Mid Cap	4.85	4.64	0.21
International	8.76	7.72	1.04

BlackRock outperformed the index by 104 basis points in the International Fund for the year as a result of the tax effect and fair value pricing adjustment on December 31, 2014. BlackRock outperformed the index by 21 basis points in the Small Mid Cap Fund for the year due to securities sampling and securities lending. BlackRock outperformed the index by 22 basis points in the Fixed Income Fund for the year due to pricing differences and securities lending.

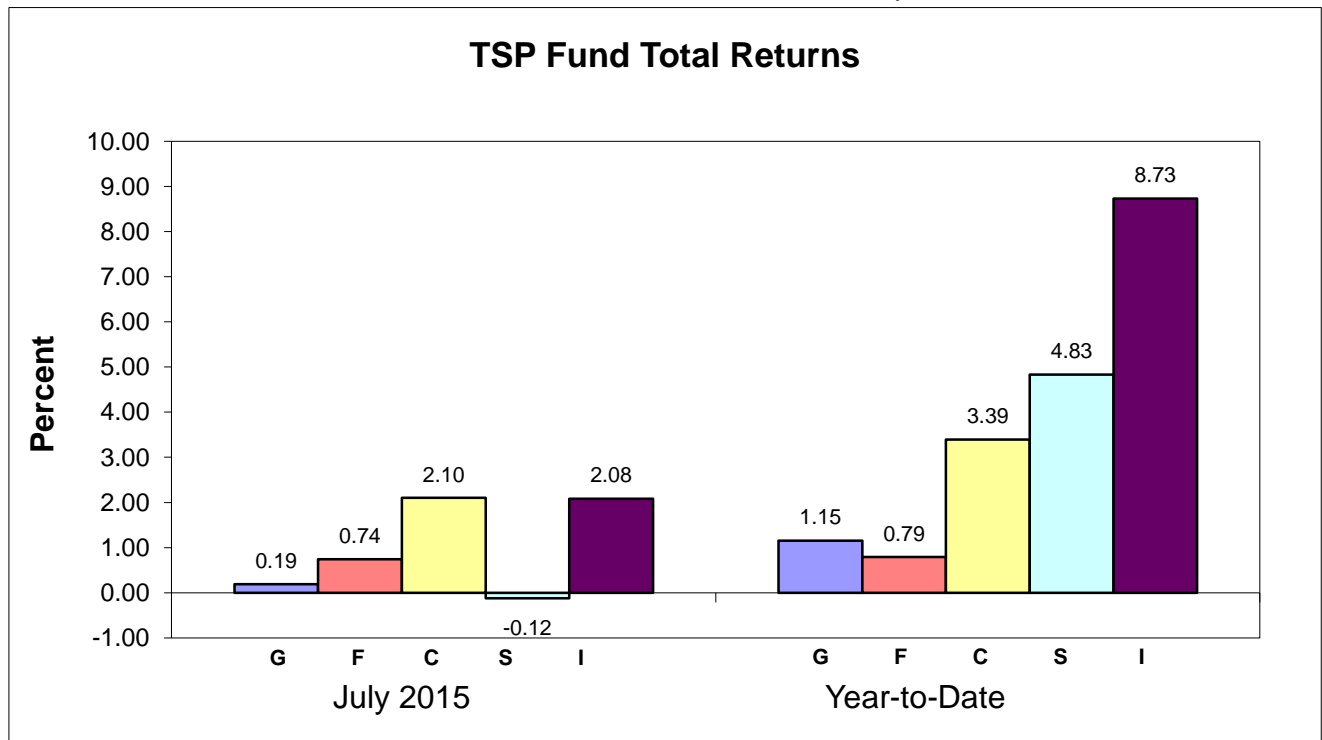
Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs*</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
July 2015	950,626,404	56,980	0.6
Year-to-Date	4,884,670,092	299,612	0.6
<u>C Fund</u>			
July 2015	1,752,070,365	(315,457)	-1.8
Year-to-Date	13,951,966,614	(1,261,410)	-0.9
<u>S Fund</u>			
July 2015	1,655,407,424	623,240	3.8
Year-to-Date	9,532,832,119	748,076	0.8
<u>I Fund</u>			
July 2015	1,231,294,248	(2,057,979)	-16.7
Year-to-Date	7,740,790,887	2,587,355	3.3

* -- 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 July 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.

July 2015

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.74	0.74	0.00	0.70
Large Cap	2.10	2.10	0.00	2.10
Small Cap	-0.12	-0.12	0.00	-0.12
International	2.08	2.07	0.01	2.08

2015

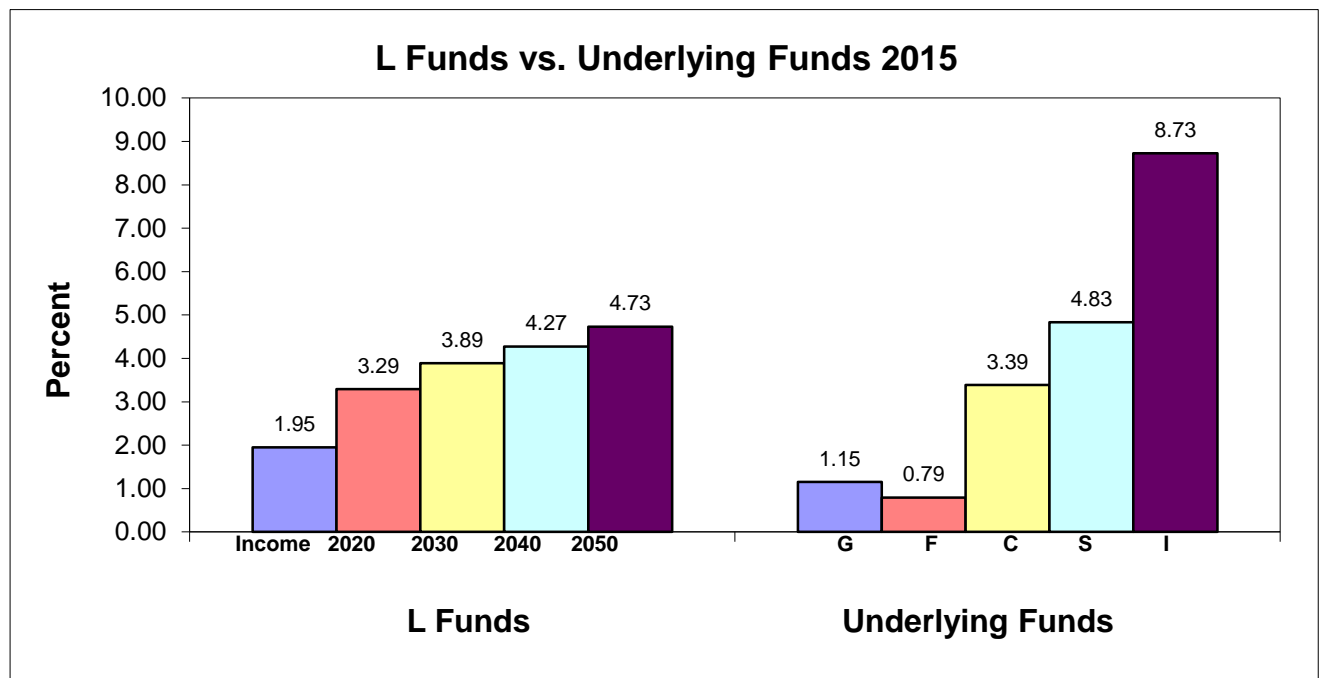
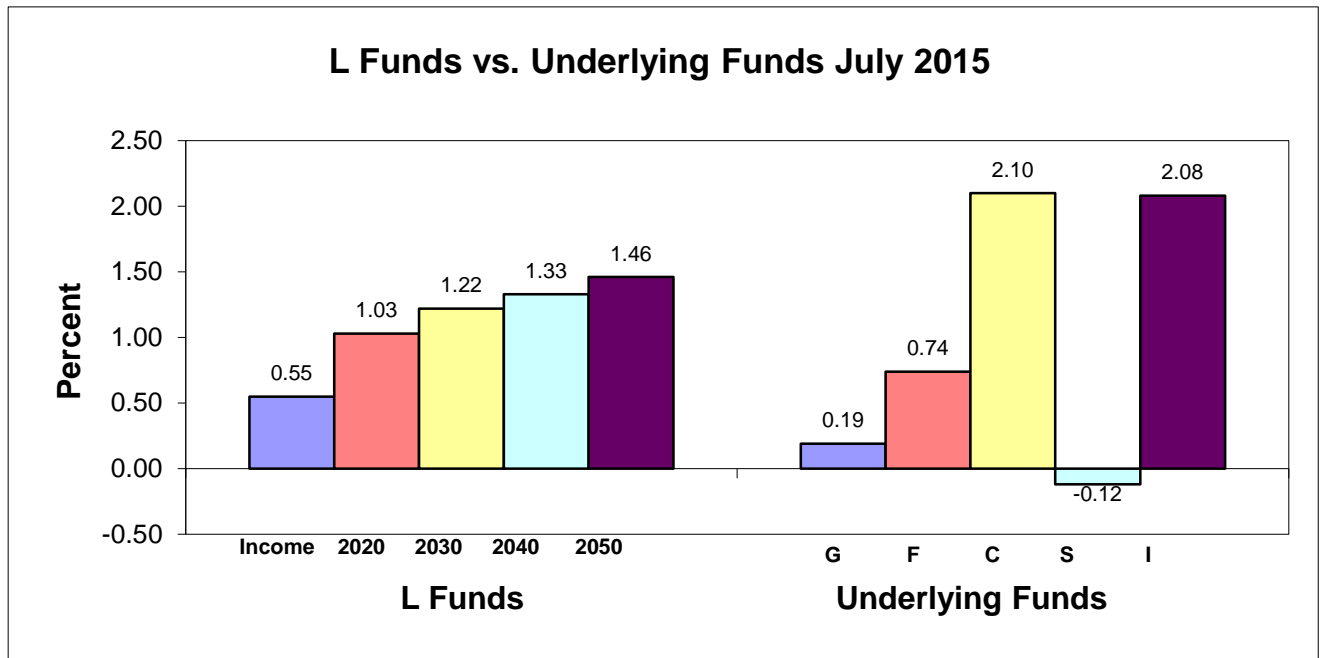
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	0.79	0.81	-0.02	0.59
Large Cap	3.39	3.41	-0.02	3.35
Small Cap	4.83	4.85	-0.02	4.64
International	8.73	8.76	-0.03	7.72

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

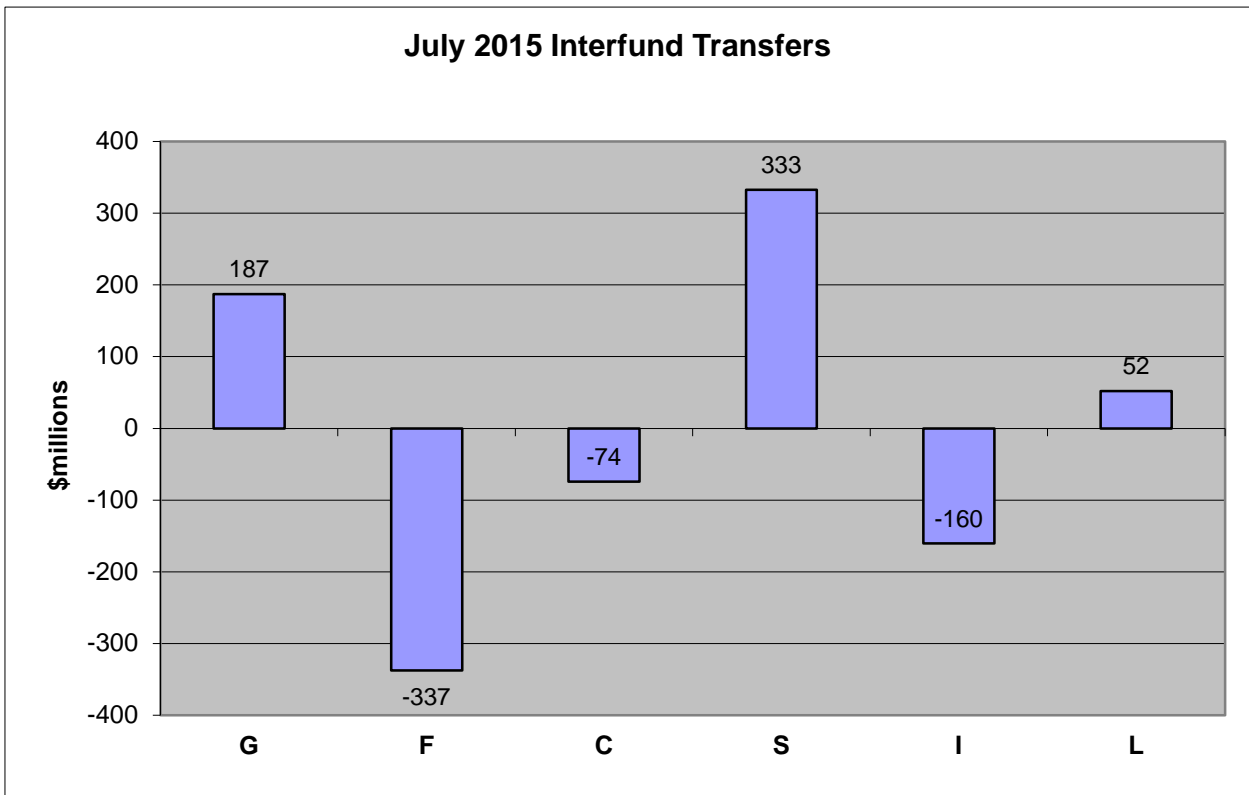
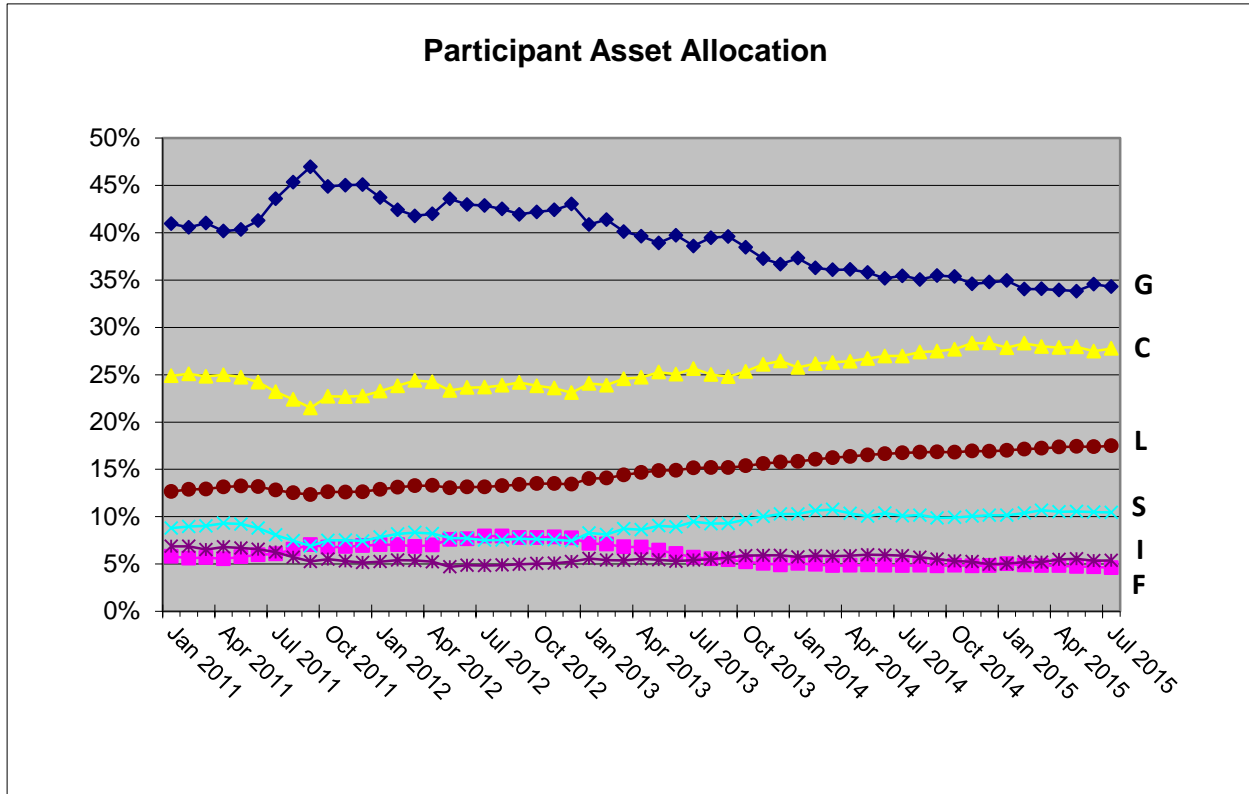
L Funds

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.



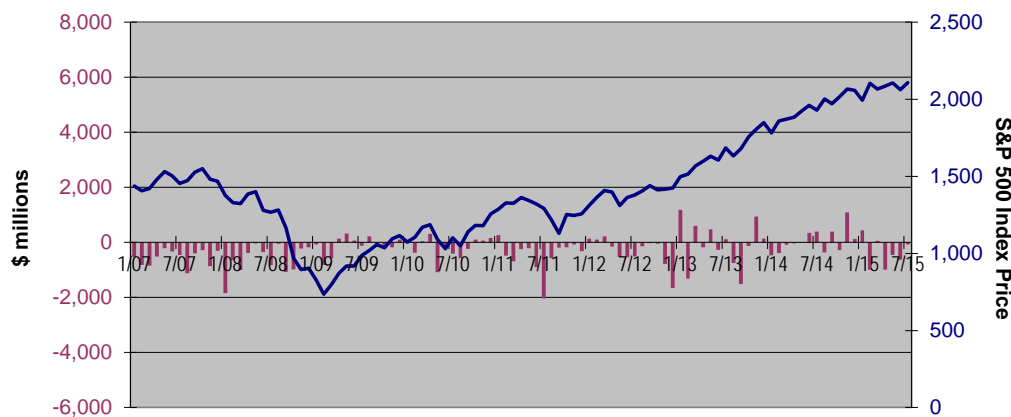
THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2015

Attachment 1

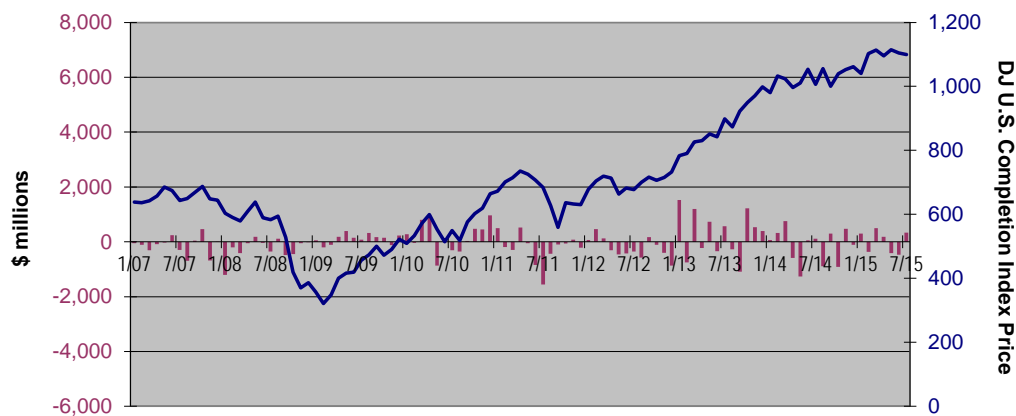


THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY July 2015

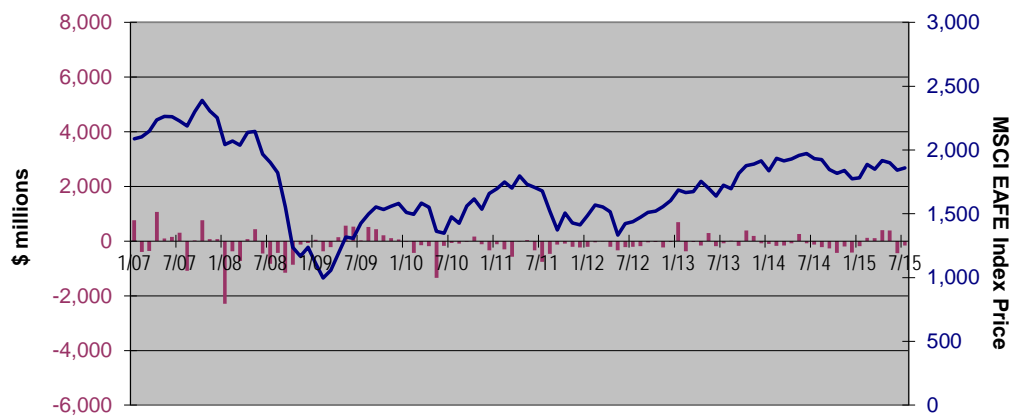
Monthly Interfund Transfers C Fund



Monthly Interfund Transfers S Fund

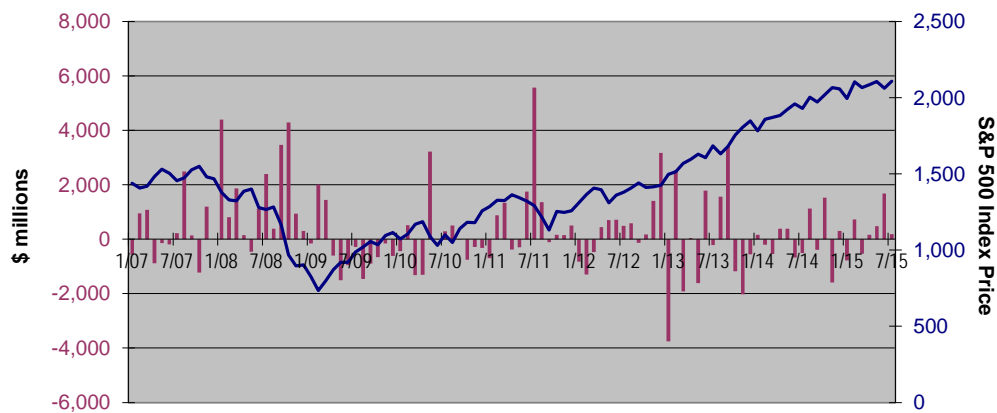


Monthly Interfund Transfers I Fund

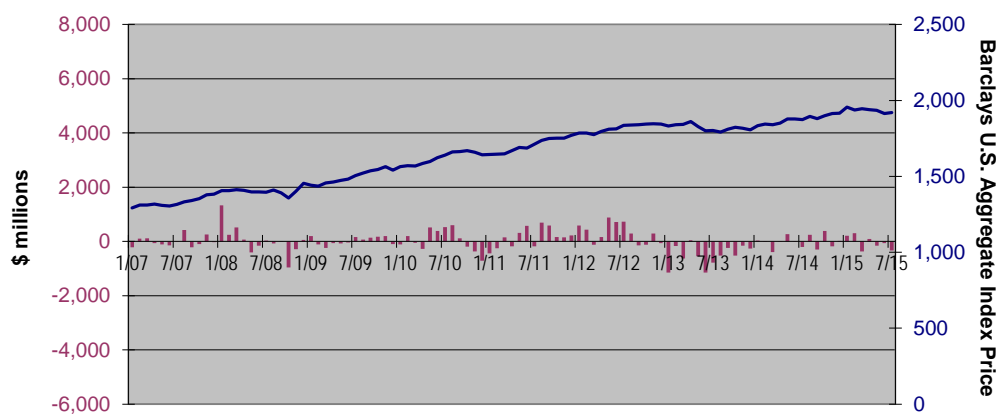


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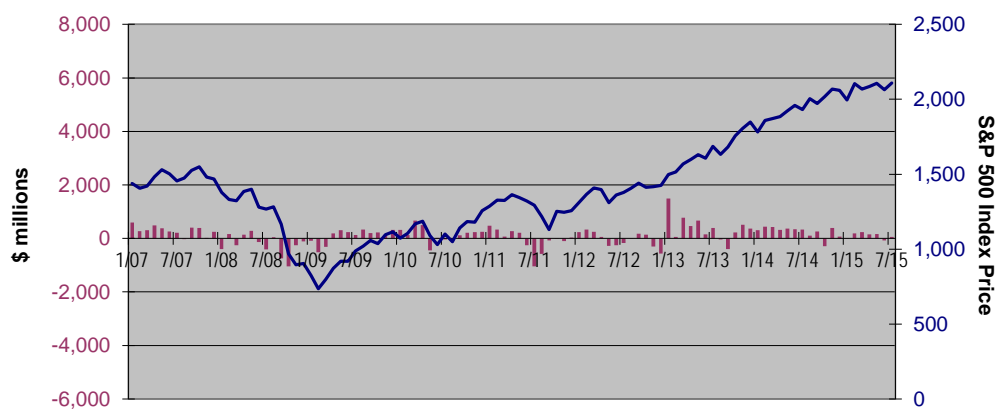
Monthly Interfund Transfers G Fund



Monthly Interfund Transfers F Fund



Monthly Interfund Transfers L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

July 2015

