



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

September 6, 2016

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
ACTING CHIEF INVESTMENT OFFICER

SUBJECT: August 2016 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	-0.11	-0.11	-0.11	0.00	0.00
Large Cap	0.15	0.14	0.14	0.01	-0.01
Small Mid Cap	0.81	0.80	0.76	0.05	-0.01
International	0.09	0.08	0.07	0.02	-0.01

2016 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	6.08	6.05	5.86	0.22	-0.03
Large Cap	7.88	7.85	7.82	0.06	-0.03
Small Mid Cap	9.15	9.13	8.70	0.45	-0.02
International	1.59	1.54	0.49	1.10	-0.05

BlackRock outperformed the Small Mid-Cap Index by 5 basis points for the month primarily due to securities lending. BlackRock's performance for the F, C, and I Funds was in-line with respective indices. BlackRock outperformed the Small Mid-Cap Index for the year by 45 basis points primarily due to securities lending. BlackRock outperformed the International Index by 110 basis points for the year primarily due to the reversal of a fair value pricing adjustment on December 31, 2015 and also due to tax effect. BlackRock outperformed the Fixed Income Index by 22 basis points for the year primarily due to securities lending.

The TSP Funds closely tracked the BTC Accounts for the month. The TSP Funds also closely tracked the BTC Accounts for the year.

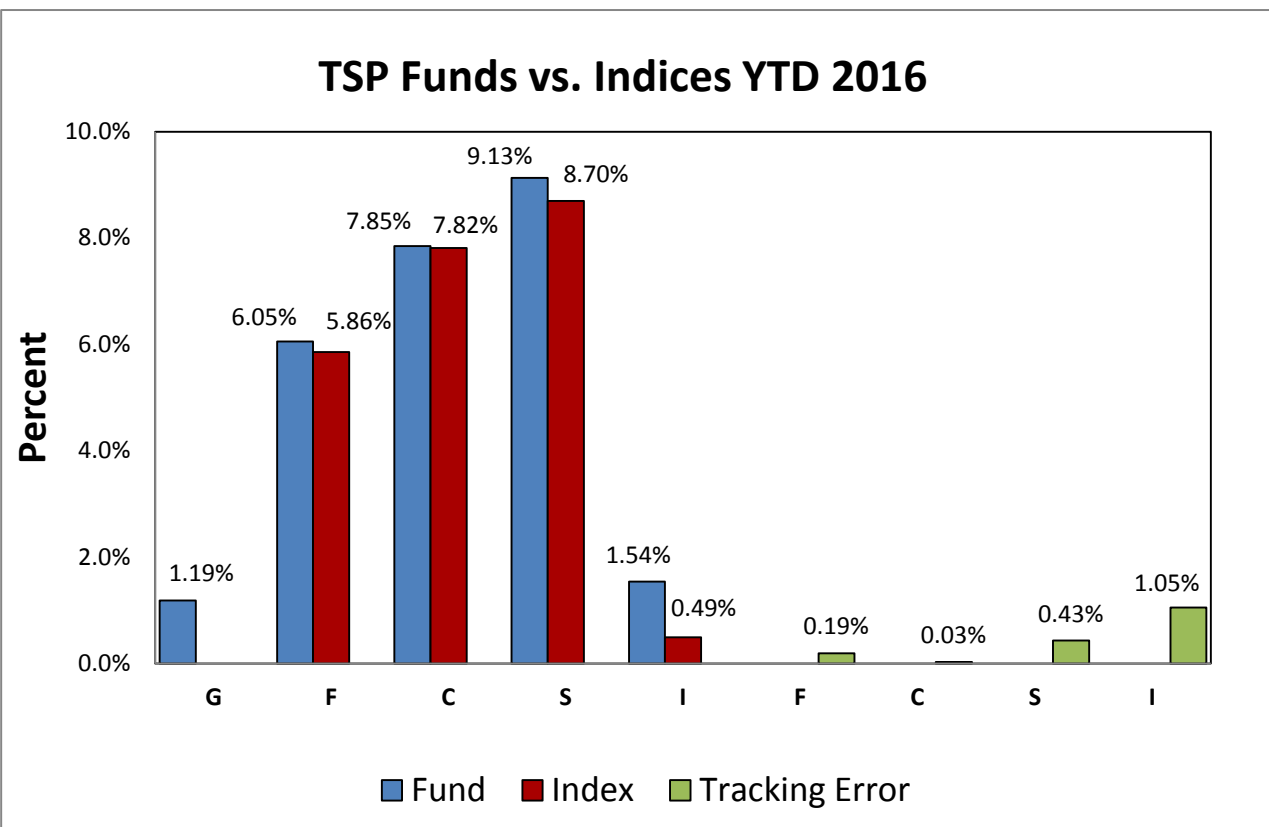
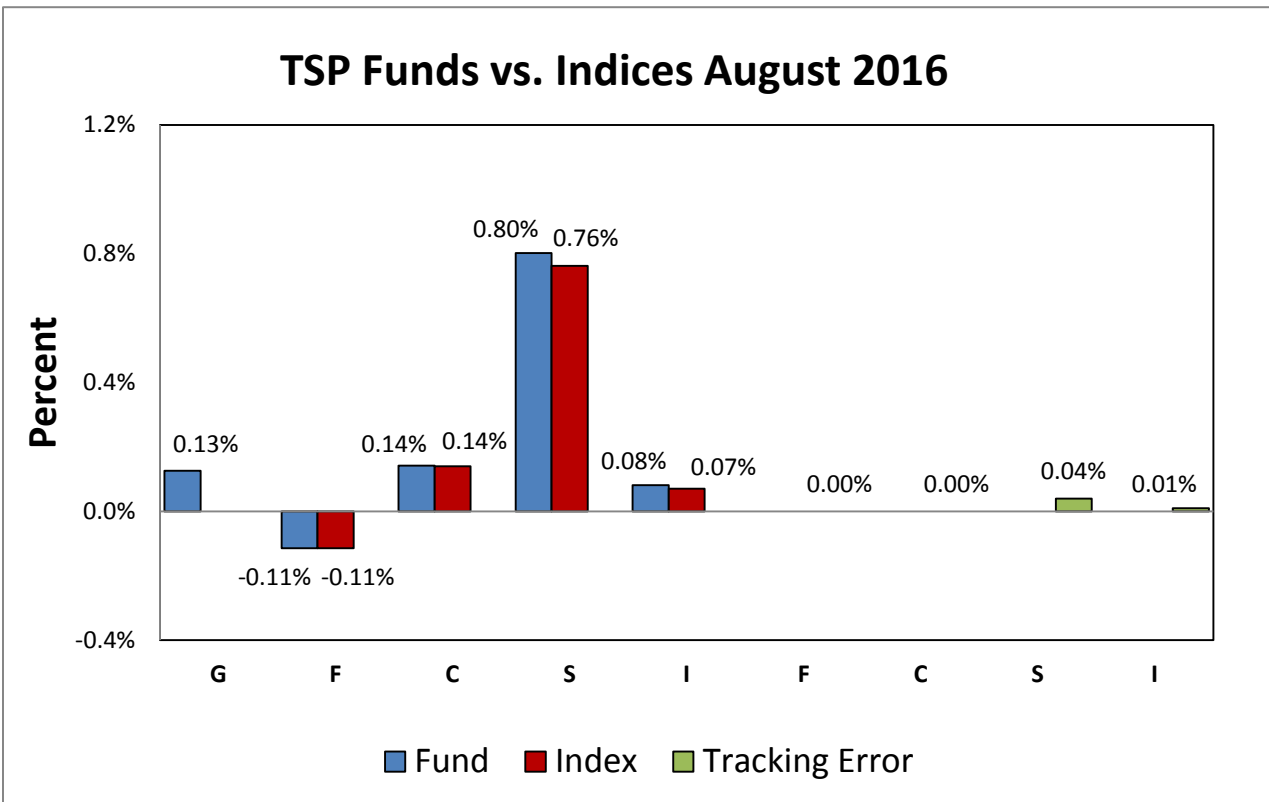
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
August	896,212,427	27,044	0.3
Year-to-Date	6,200,063,853	638,227	1.0
<u>C Fund</u>			
August	1,026,536,402	(182,122)	-1.8
Year-to-Date	15,892,013,716	(3,381,520)	-2.1
<u>S Fund</u>			
August	905,726,617	(76,589)	-0.8
Year-to-Date	12,536,984,851	(3,256,314)	-2.6
<u>I Fund</u>			
August	1,366,419,161	886,523	6.5
Year-to-Date	12,739,657,238	7,787,503	6.1

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

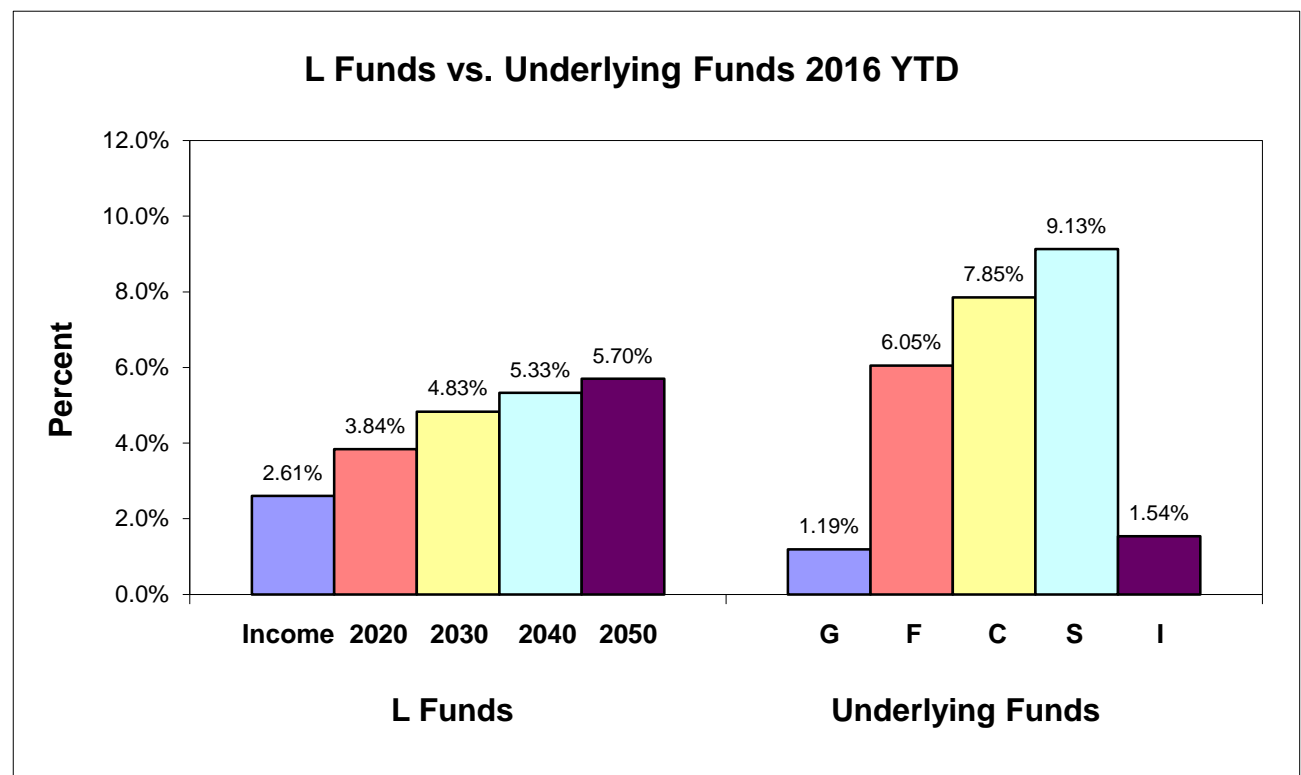
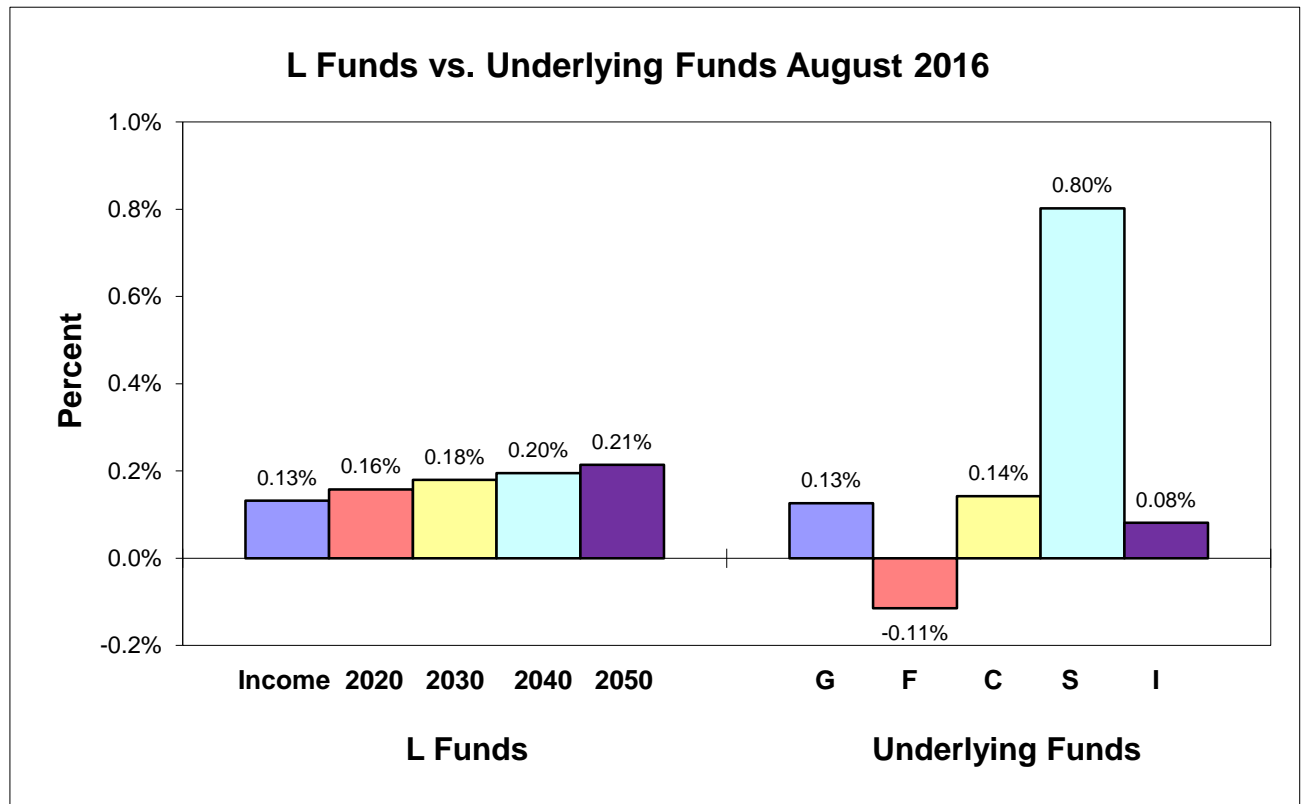
Performance of TSP Funds Total Returns

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



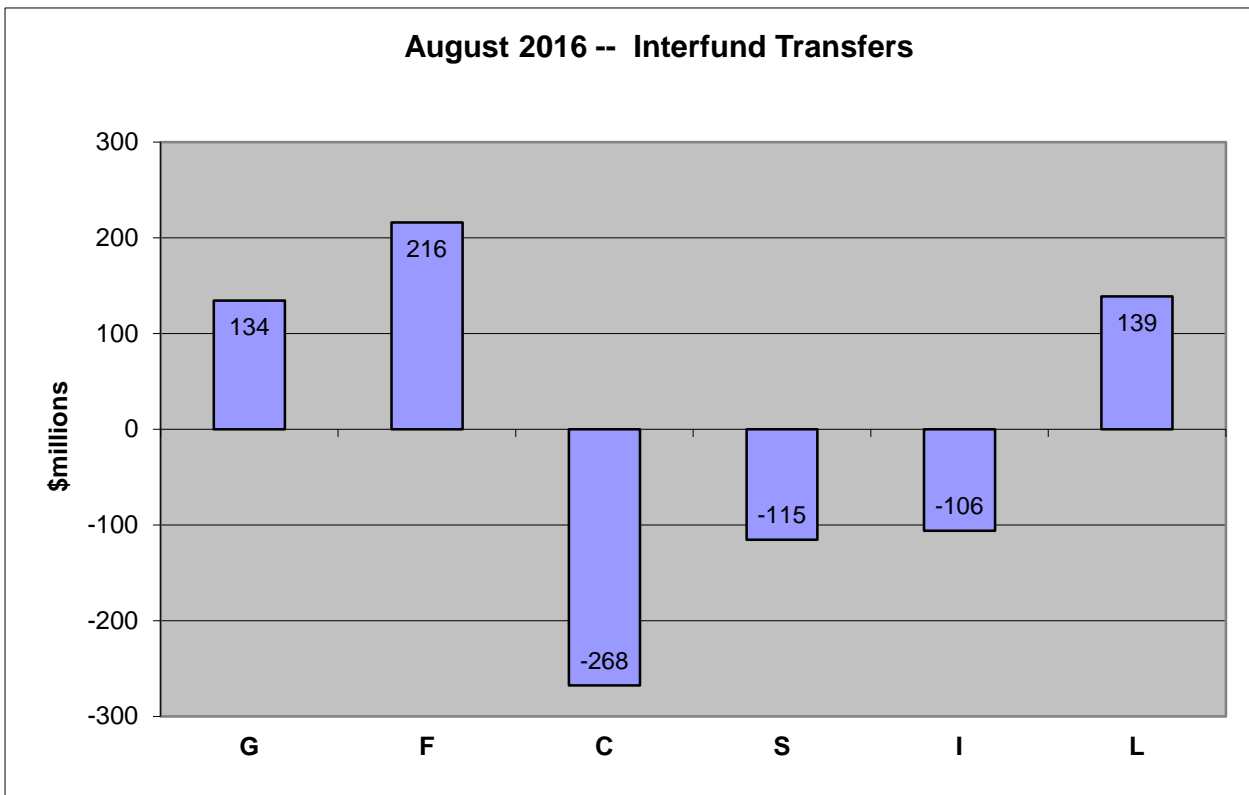
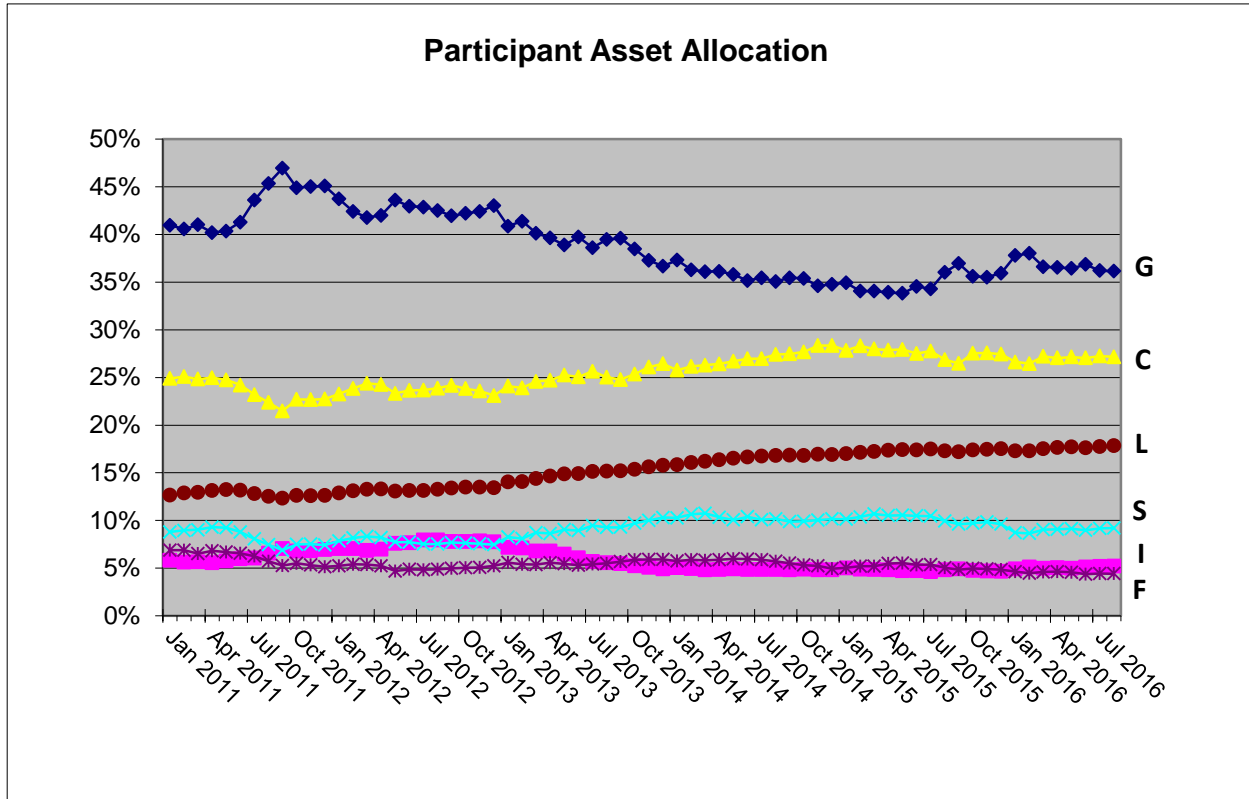
L Funds

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
August 2016

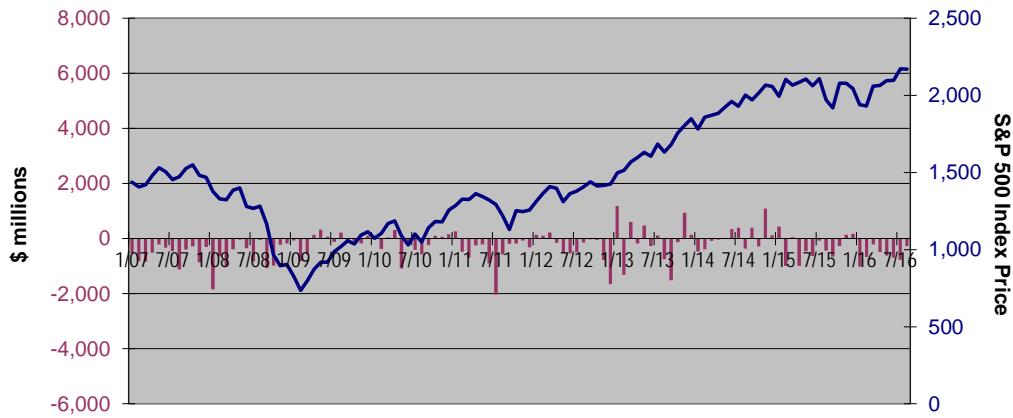
Attachment 1



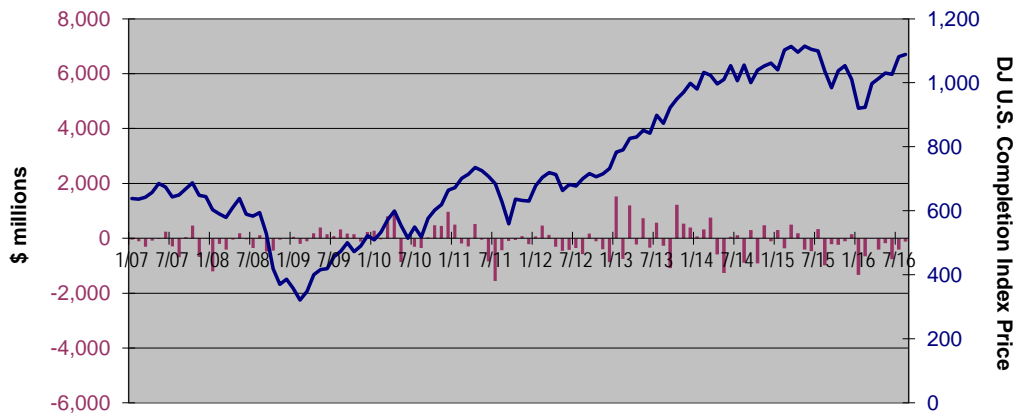
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August 2016

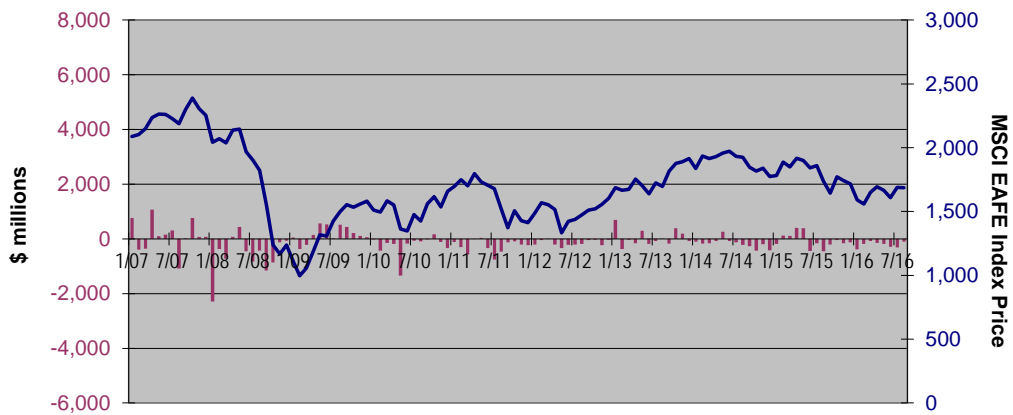
Monthly Interfund Transfers
C Fund



Monthly Interfund Transfers
S Fund



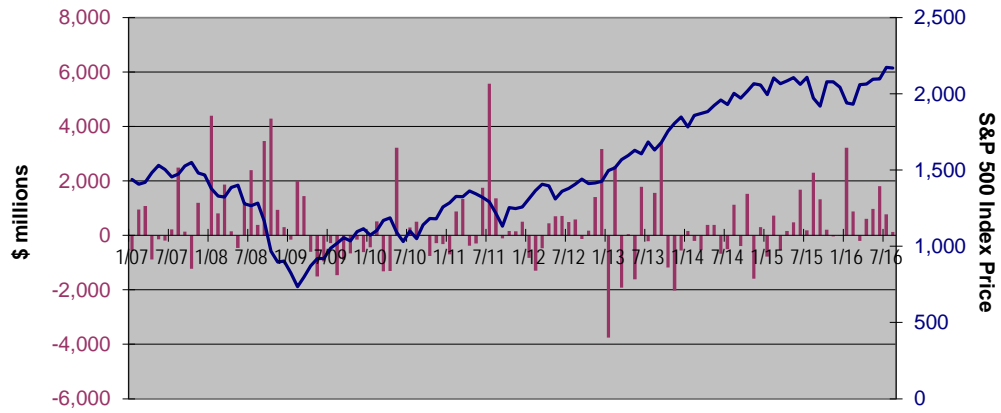
Monthly Interfund Transfers
I Fund



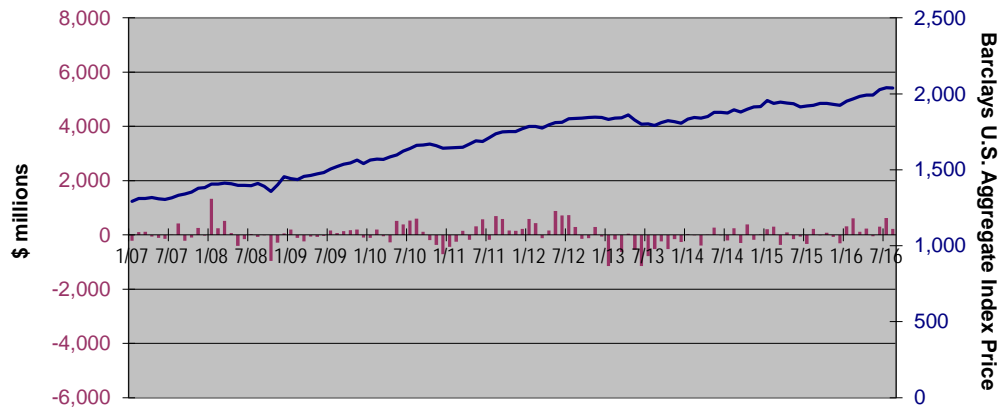
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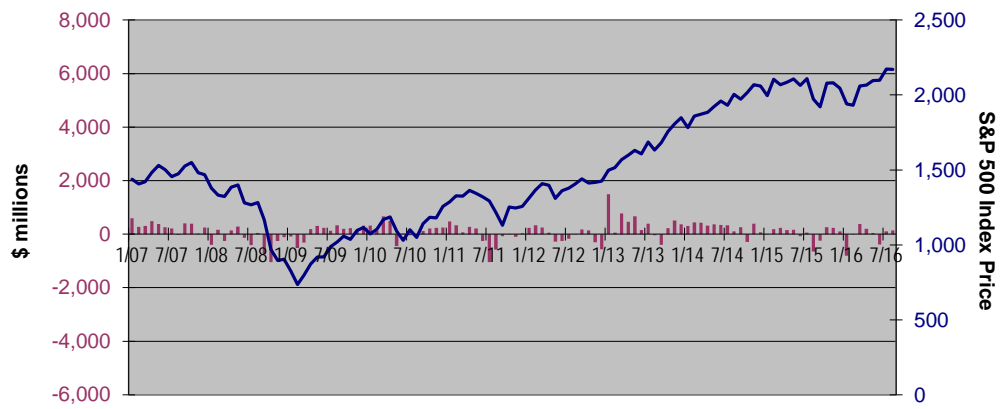
Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds



THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY

August 2016

