



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

May 8, 2018

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

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SUBJECT: April 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	-0.72	-0.73	-0.74	0.02	-0.01
Large Cap	0.38	0.38	0.38	0.00	0.00
Small Mid Cap	0.28	0.28	0.24	0.04	0.00
International	2.02	2.01	2.28	-0.26	-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	-2.16	-2.17	-2.19	0.03	-0.01
Large Cap	-0.39	-0.40	-0.38	-0.01	-0.01
Small Mid Cap	0.39	0.39	0.36	0.03	0.00
International	0.93	0.90	0.72	0.21	-0.03

BlackRock's performance for the F and C Funds was in-line with indices for the month. Its performance for the F Fund was ahead year-to-date by 3 basis points primarily due to securities lending. Year-to-date, the C Fund's performance was in-line with the index. BlackRock outperformed the Small Mid Cap index by 4 basis points for the month due to sampling and securities lending and was ahead by 3 basis points year-to-date primarily due to securities lending. BlackRock underperformed the International index by 26 basis points for the month primarily due to a reversal of the March 29, 2018 fair value adjustment. BlackRock outperformed the International index by 21 basis points year-to-date, primarily due to tax effect and fair value pricing adjustments.

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

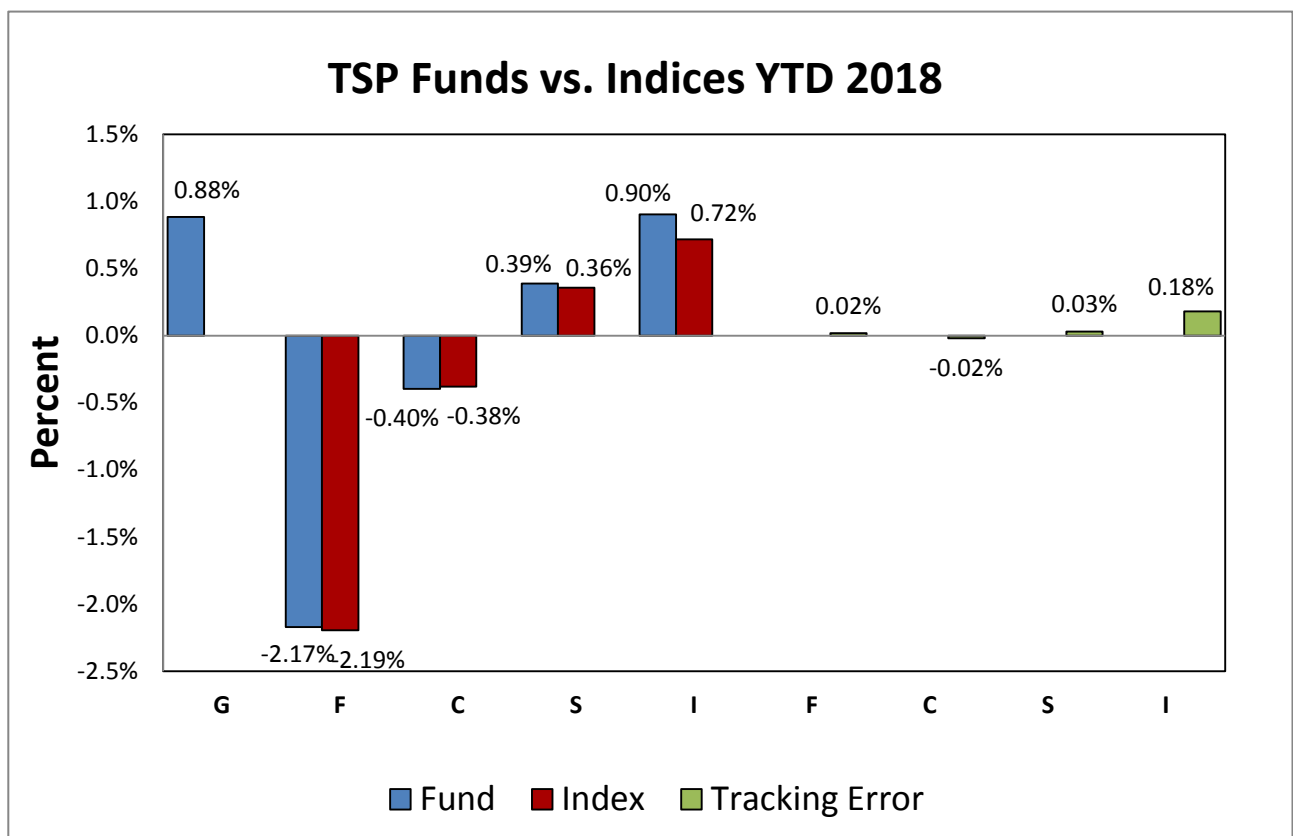
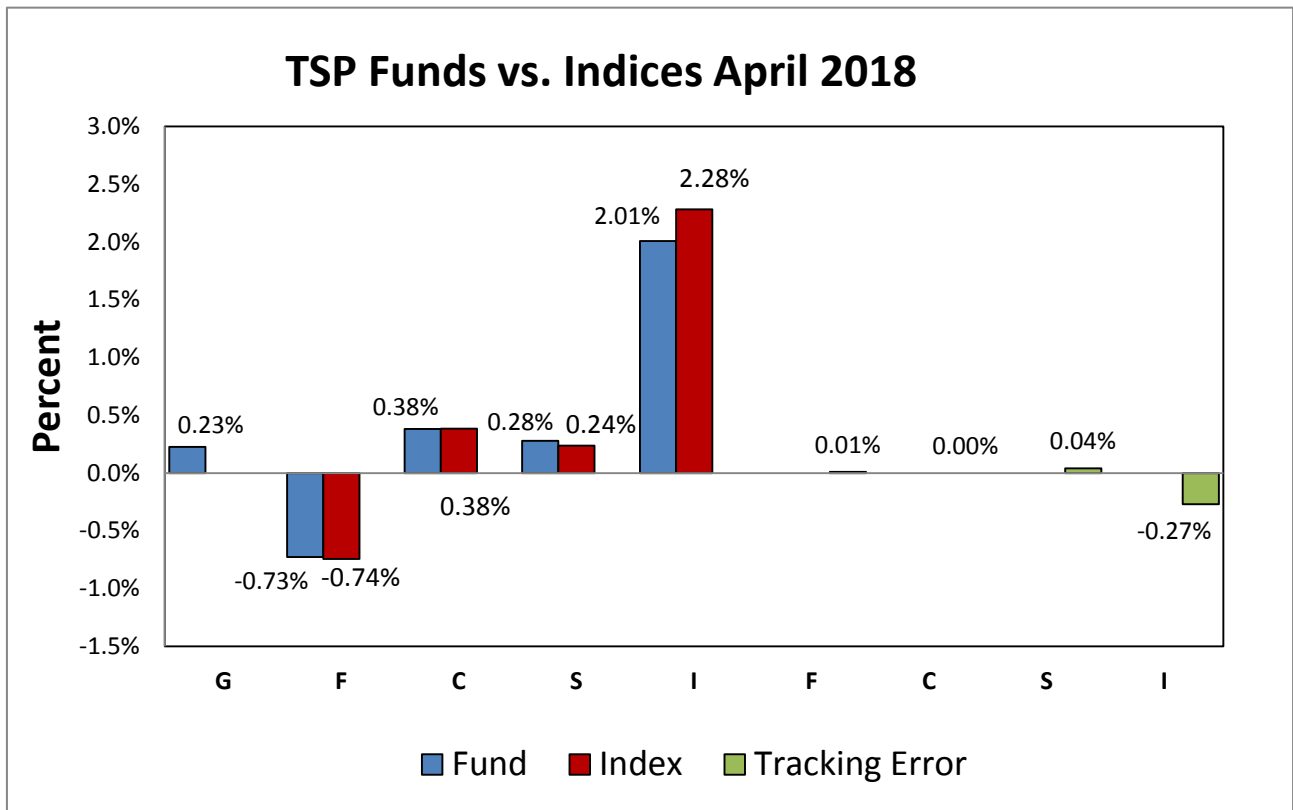
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
April	1,092,038,767	66,374	0.6
Year-to-Date	4,270,694,103	137,851	0.3
<u>C Fund</u>			
April	3,991,488,955	(1,518,908)	-3.8
Year-to-Date	13,881,541,652	(8,196,985)	-5.9
<u>S Fund</u>			
April	1,389,697,700	(177,717)	-1.3
Year-to-Date	7,188,283,272	(5,889,362)	-8.2
<u>I Fund</u>			
April	1,383,374,699	1,316,059	9.5
Year-to-Date	6,552,752,563	2,889,080	4.4

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

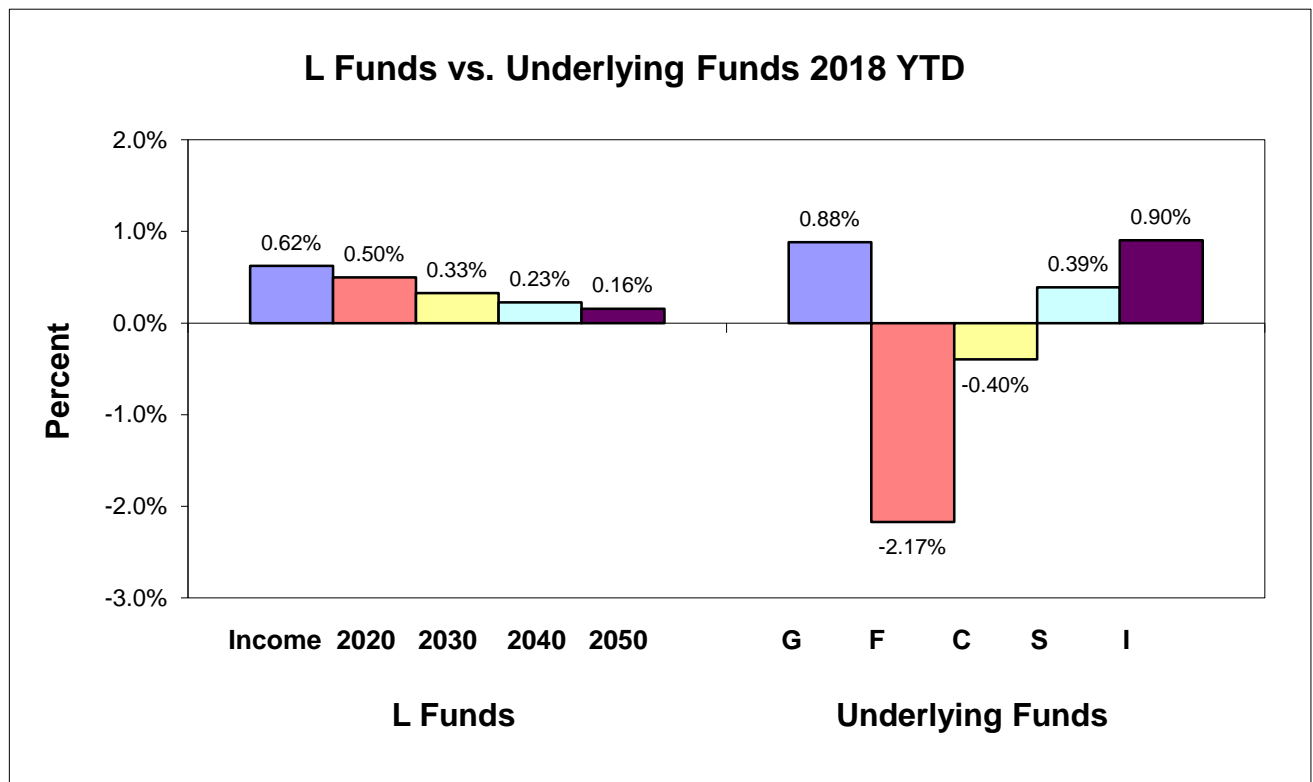
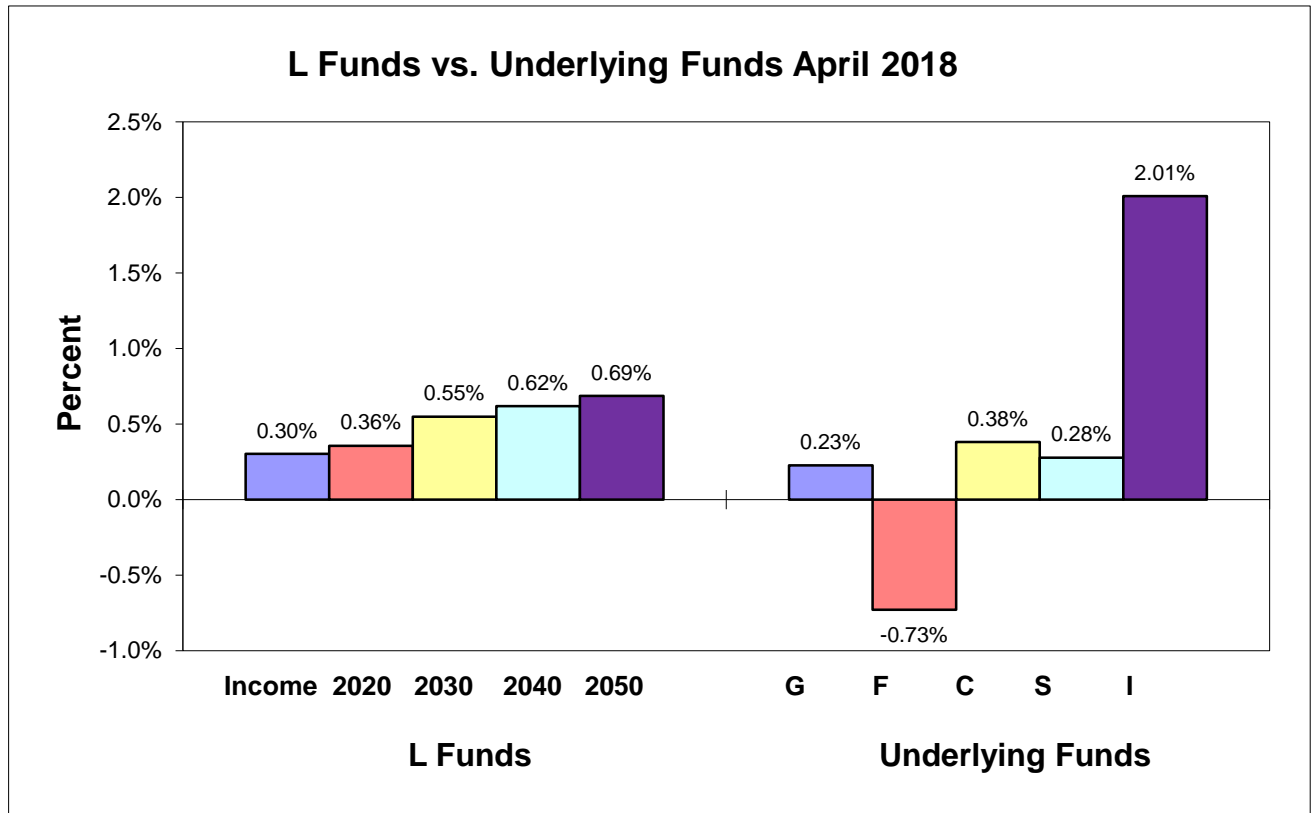
Performance of TSP Funds Total Returns

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

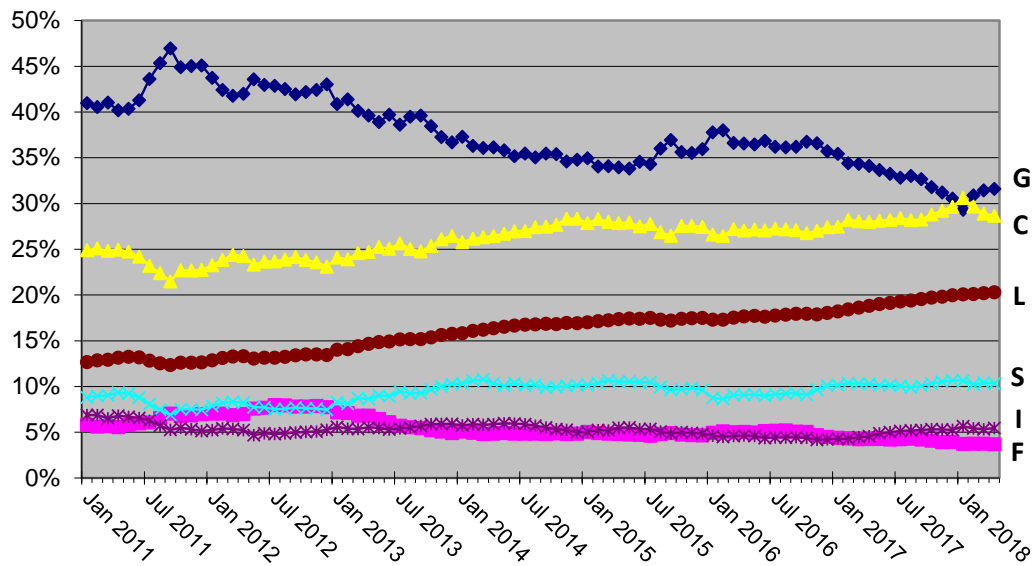


L Funds

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.



Participant Asset Allocation



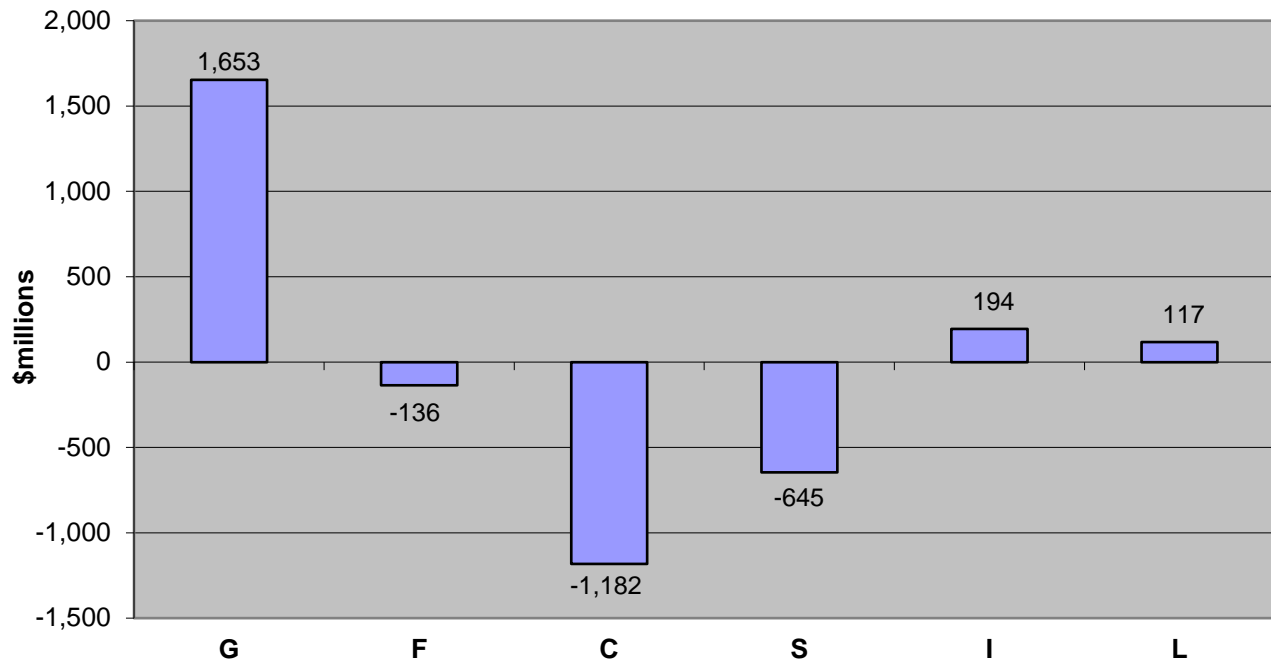
TSP Assets -- Participant Allocation (April 30, 2018)

<u>Fund</u>	<u>Dollars (Billion USD)</u>	<u>Percent</u>
G Fund	\$172.7	31.7%
F Fund	\$20.0	3.7%
C Fund	\$156.3	28.7%
S Fund	\$56.2	10.3%
I Fund	\$29.7	5.4%
L Fund	<u>\$110.7</u>	<u>20.3%</u>
Total	\$545.5	100%

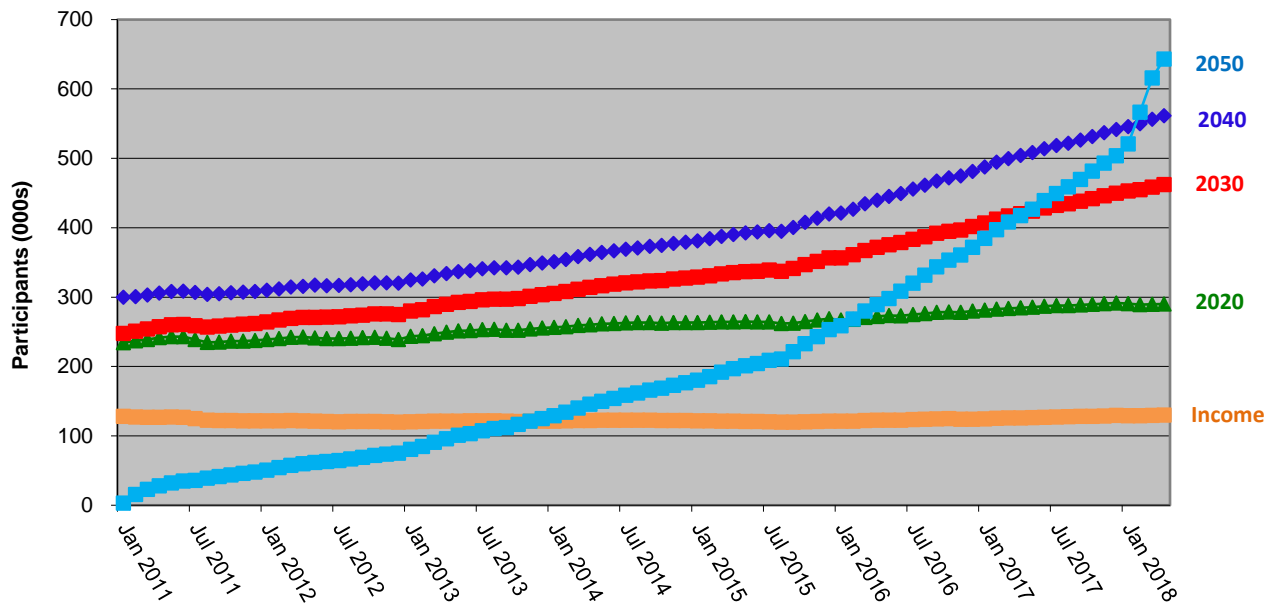
TSP Assets -- By Fund (April 30, 2018)

<u>Fund</u>	<u>Dollars (Billion USD)</u>	<u>Percent</u>
G Fund	\$214.0	39.2%
F Fund	\$27.4	5.0%
C Fund	\$189.7	34.8%
S Fund	\$66.0	12.1%
I Fund	<u>\$48.4</u>	<u>8.9%</u>
Total	\$545.5	100%

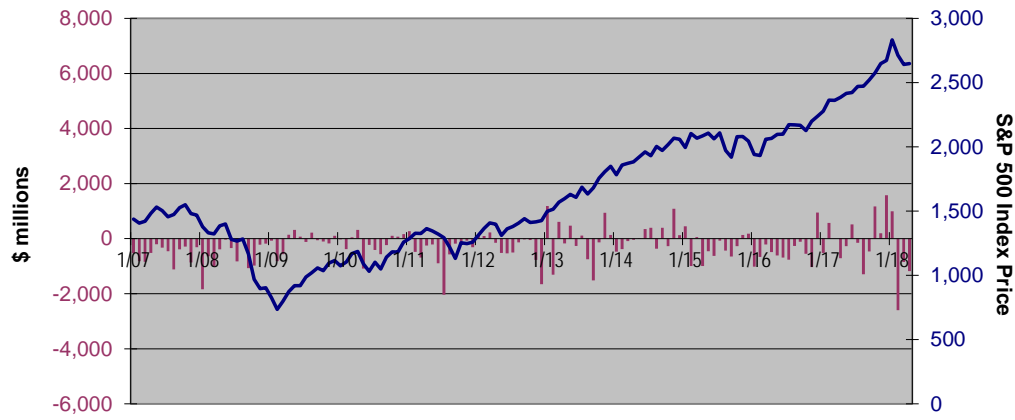
April 2018 -- Interfund Transfers



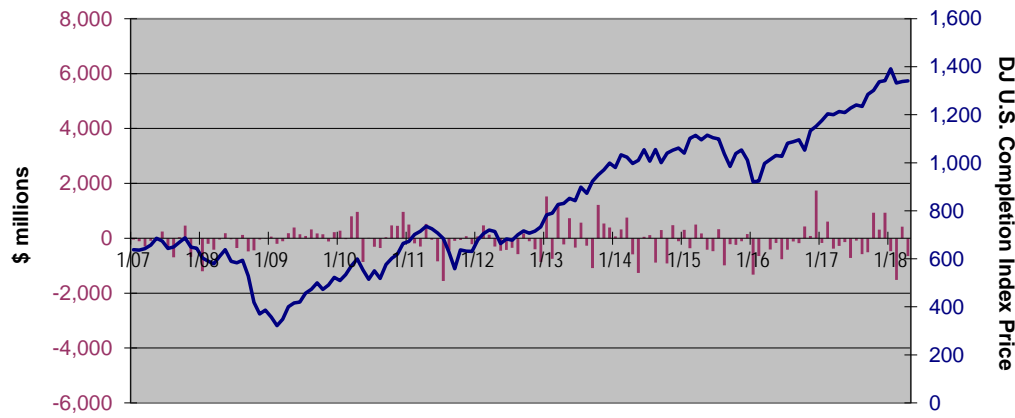
Number of L Fund Participants Total = 1,725,604



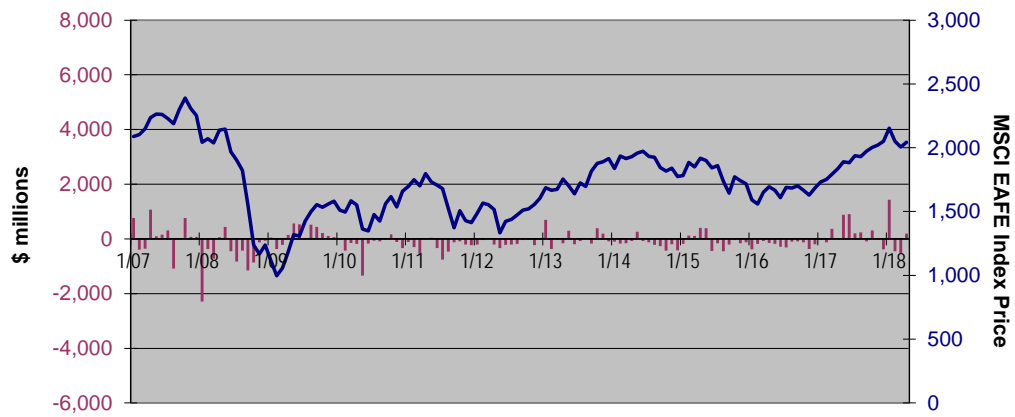
**Monthly Interfund Transfers
C Fund**



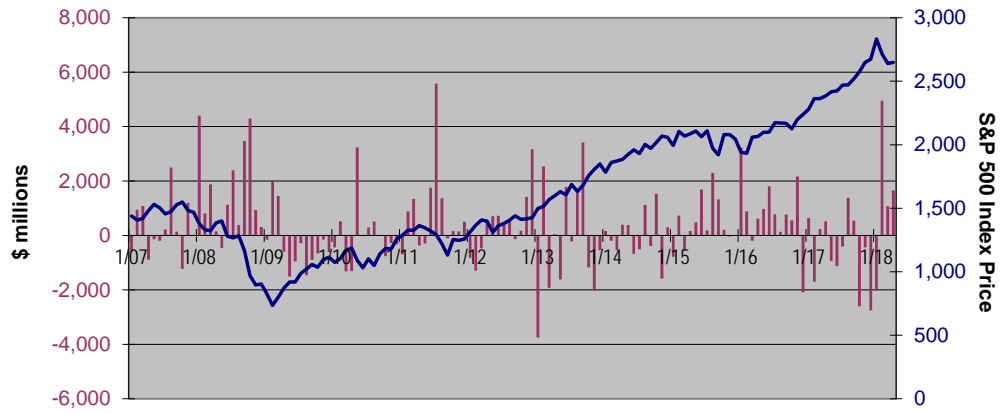
**Monthly Interfund Transfers
S Fund**



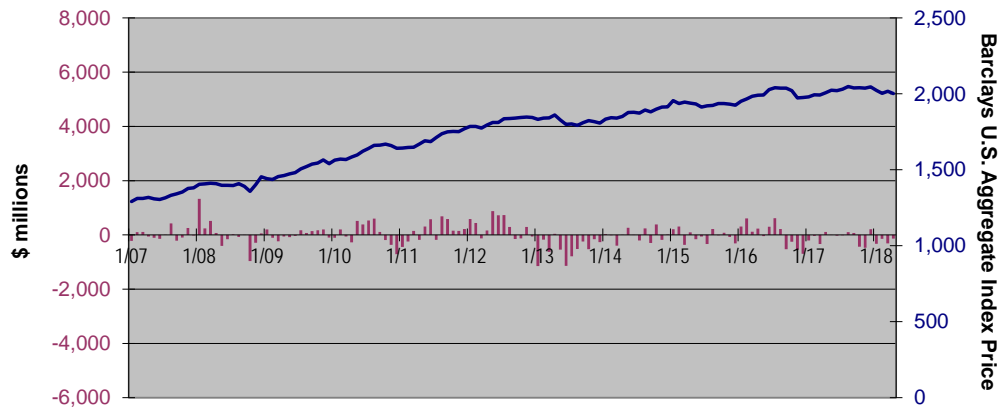
**Monthly Interfund Transfers
I Fund**



**Monthly Interfund Transfers
G Fund**



**Monthly Interfund Transfers
F Fund**



**Monthly Interfund Transfers
L Funds**

