



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

77 K Street, NE Washington, DC 20002

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: RAVINDRA DEO
CHIEF INVESTMENT OFFICER

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

TRACKING ERROR - BlackRock Funds (BTC)

November Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	-0.24	-0.26	0.02
Large Cap	0.31	0.30	0.01
Small Mid Cap	1.75	1.66	0.09
International	-0.85	-1.56	0.71

2015 Tracking Error

<u>Fund</u>	<u>% BTC Fund Performance</u>	<u>% Index Performance</u>	<u>Tracking Error</u>
Fixed Income	1.24	0.88	0.36
Large Cap	3.10	3.01	0.09
Small Mid Cap	1.04	0.51	0.53
International	1.61	0.54	1.07

BlackRock outperformed the index by 71 basis points for the month due to fair value pricing adjustments and securities lending and outperformed by 107 basis points in the International Fund for the year as a result of the tax effect and a fair value pricing adjustment on December 31, 2014. BlackRock outperformed the Small Mid-Cap Index by 9 basis points for the month and 53 basis points for the year due to securities sampling and securities lending. BlackRock outperformed the index by 36 basis points in the Fixed Income Fund for the year due to pricing differences and securities lending.

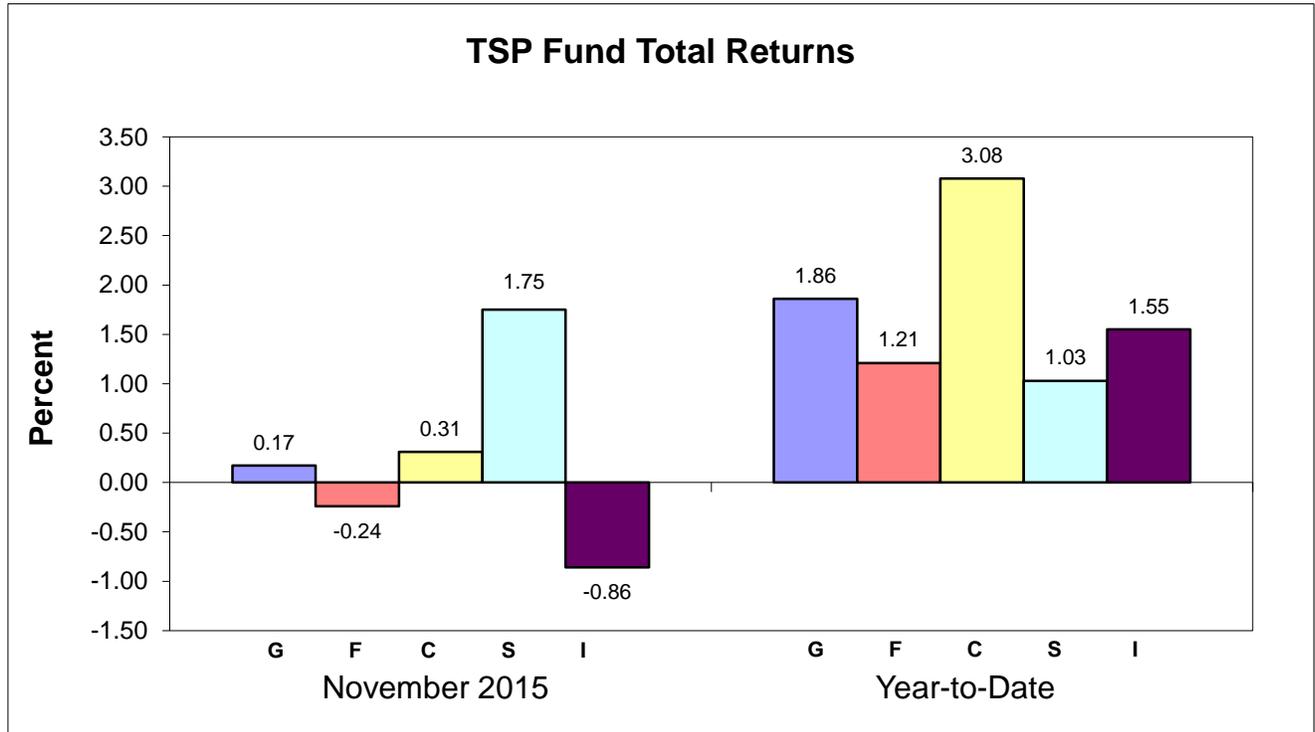
Trading Costs

	<u>Dollar Amount Traded</u>	<u>Trading Costs*</u>	
		<u>\$</u>	<u>Basis Points</u>
<u>F Fund</u>			
November 2015	935,986,818	80,210	0.9
Year-to-Date	8,550,654,056	431,711	0.5
<u>C Fund</u>			
November 2015	1,781,578,895	608,954	3.4
Year-to-Date	22,977,190,436	(7,786,235)	-3.4
<u>S Fund</u>			
November 2015	1,498,883,161	392,392	2.6
Year-to-Date	16,174,934,605	(6,198,509)	-3.8
<u>I Fund</u>			
November 2015	895,816,691	916,445	10.2
Year-to-Date	13,203,732,184	9,845,632	7.5

* -- 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 November 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.

November 2015

Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	-0.24	-0.24	0.00	-0.26
Large Cap	0.31	0.31	0.00	0.30
Small Cap	1.75	1.75	0.00	1.66
International	-0.86	-0.85	-0.01	-1.56

2015

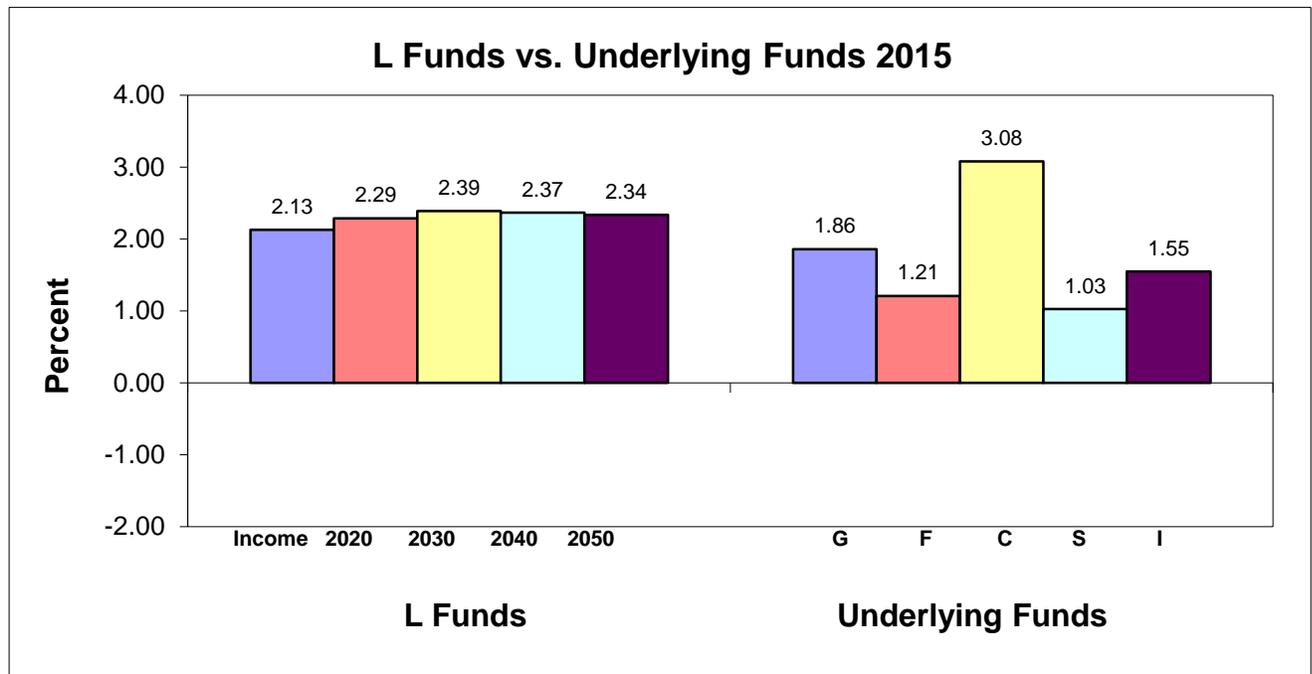
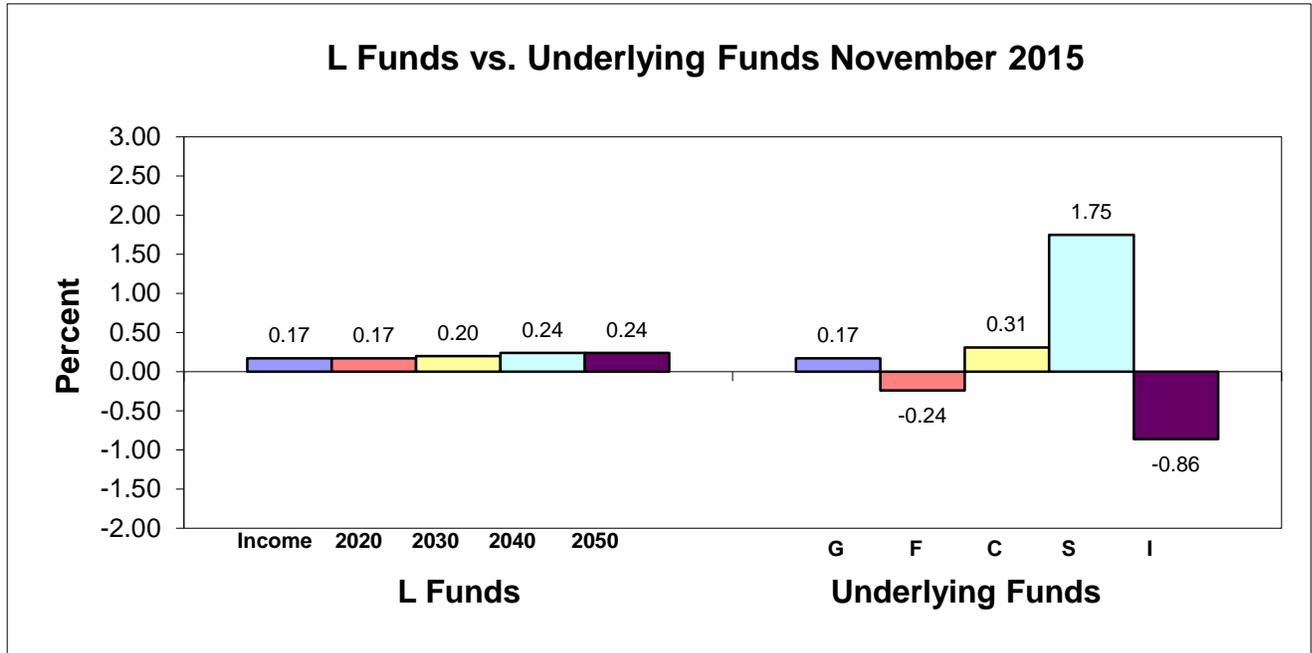
Total Return %

<u>Fund</u>	<u>TSP</u>	<u>BTC</u>	<u>Difference</u>	<u>Index</u>
Fixed Income	1.21	1.24	-0.03	0.88
Large Cap	3.08	3.10	-0.02	3.01
Small Cap	1.03	1.04	-0.01	0.51
International	1.55	1.61	-0.06	0.54

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 November 2015

