



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

August 15, 2020

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: Sean McCaffrey, Chief Investment Officer

A handwritten signature in black ink, appearing to be "SM", written over the printed name of Sean McCaffrey.

SUBJECT: July 2020 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, interfund transfer activity, and L Fund participation.

RETURNS AND TRACKING ERROR

The tables below contain the monthly and year-to-date (YTD) returns and tracking errors for the separate accounts managed by BlackRock.

July 2020 Returns and Tracking Error

		<u>Fixed Income</u>	<u>Large Cap</u>	<u>Small Mid Cap</u>	<u>International</u>
		<u>(F Fund)</u>	<u>(C Fund)</u>	<u>(S Fund)</u>	<u>(I Fund)</u>
Return (%)	Index	1.49	5.64	5.70	2.33
	BlackRock	1.49	5.64	5.71	2.35
	TSP Fund (Net)	1.49	5.64	5.71	2.33
Tracking Error vs Index (%)	BlackRock	0.00	0.00	0.01	0.02
	TSP Fund	0.00	0.00	0.01	0.00

BlackRock's performance for the F, C, S, and I Funds was in line with the Funds' respective indices for the month.

The TSP Funds closely tracked the BlackRock accounts for the month.

2020 YTD Returns and Tracking Error

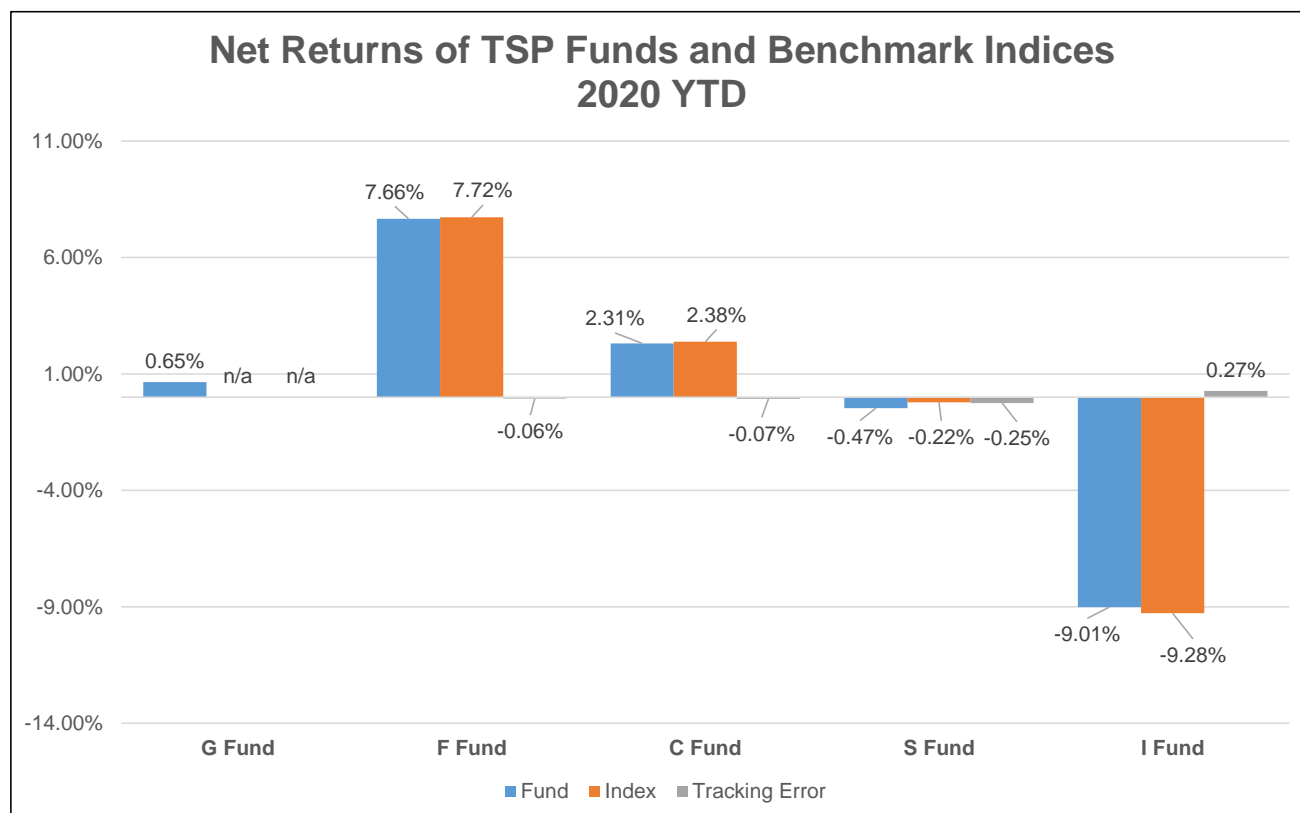
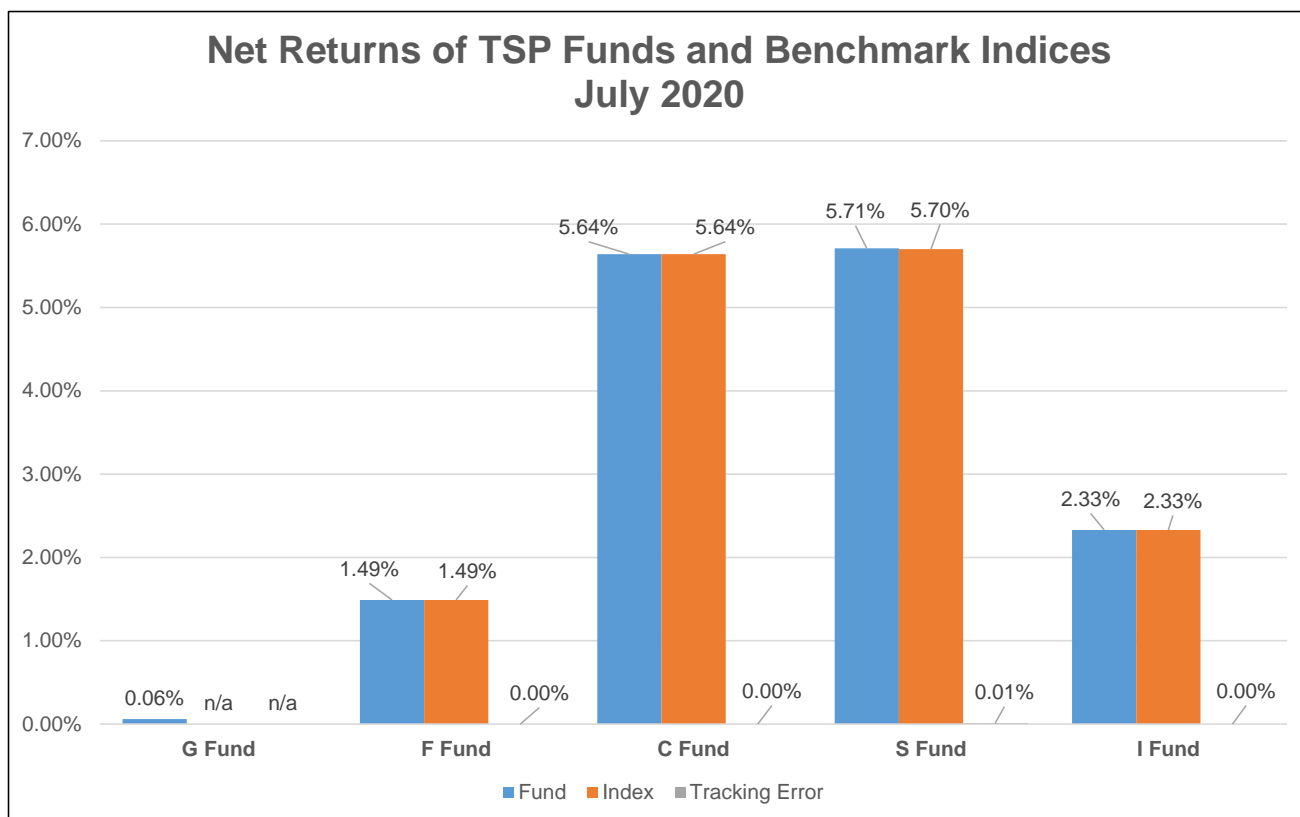
		<u>Fixed Income</u>	<u>Large Cap</u>	<u>Small Mid Cap</u>	<u>International</u>
		<u>(F Fund)</u>	<u>(C Fund)</u>	<u>(S Fund)</u>	<u>(I Fund)</u>
Return (%)	Index	7.72	2.38	-0.22	-9.28
	BlackRock	7.70	2.39	-0.41	-8.95
	TSP Fund (Net)	7.66	2.31	-0.47	-9.01
Tracking Error vs Index (%)	BlackRock	-0.02	0.01	-0.19	0.33
	TSP Fund	-0.06	-0.07	-0.25	0.27

BlackRock's performance for the F and C Funds was in line with the Funds' respective indices for the year-to-date. Its performance for the S Fund lagged the Small Mid Cap Index by 19 basis points, primarily due to securities sampling and futures mistracking related to market volatility. BlackRock's performance was ahead of the International Index by 33 basis points, primarily due to tax advantage and futures mistracking.

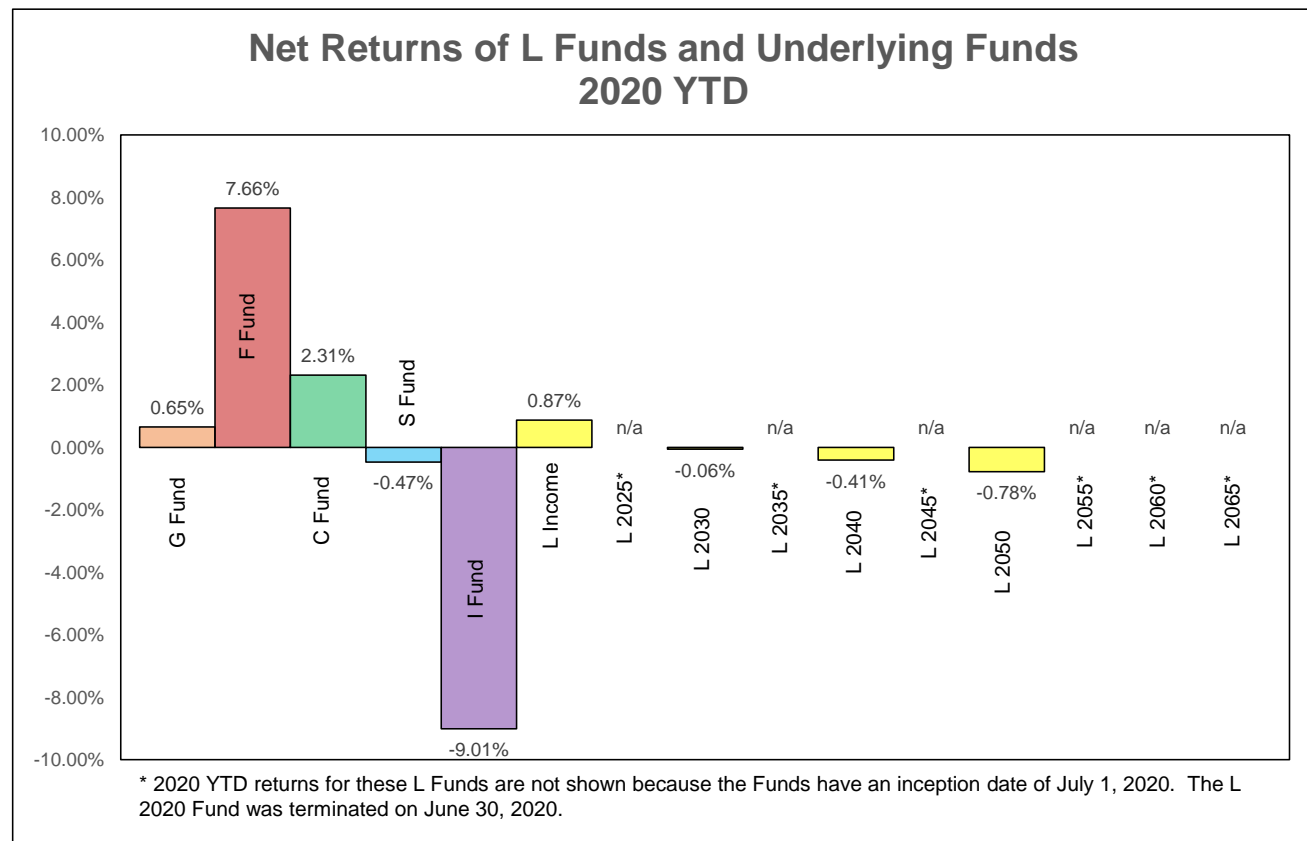
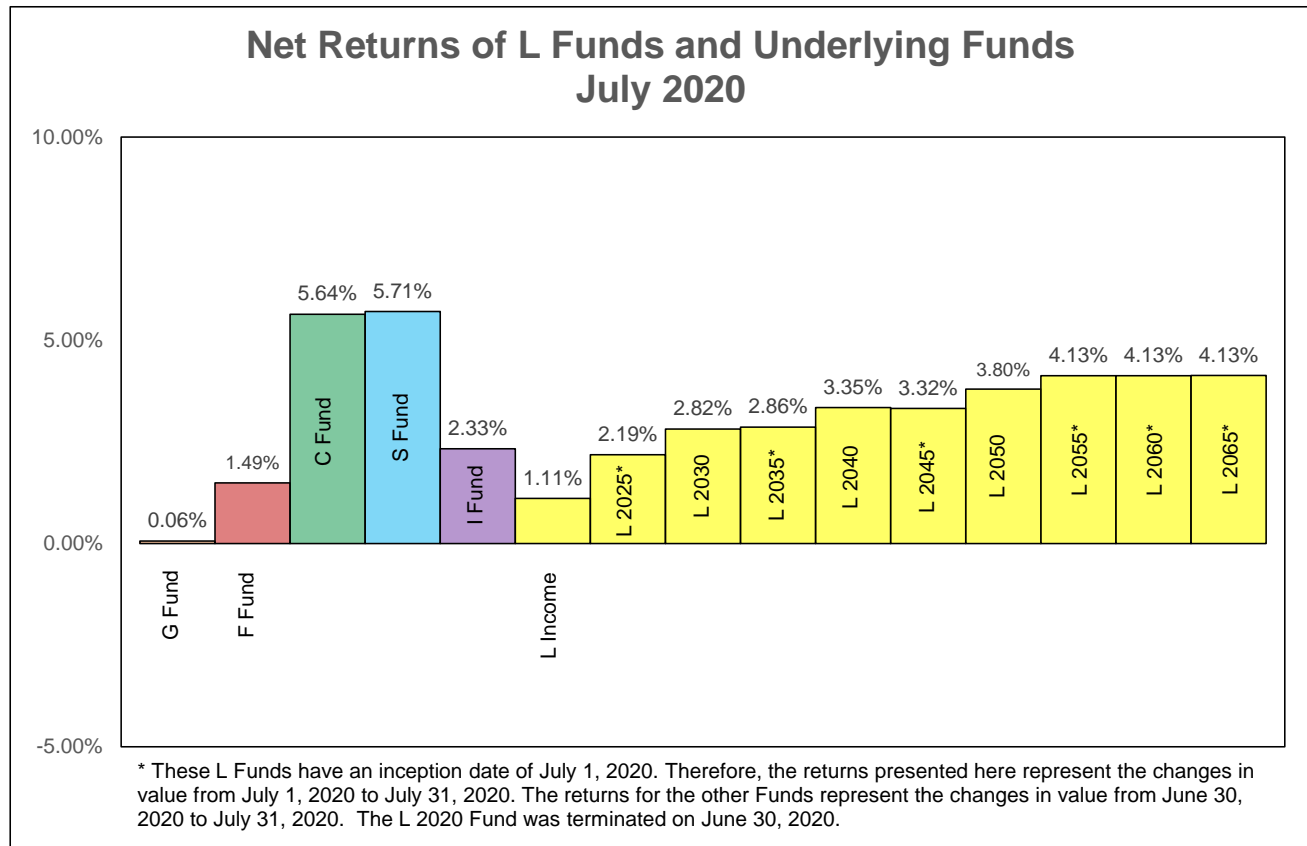
Year-to-date, the F, C, S, and I Funds lagged the BlackRock accounts, primarily due to a high volume of participant activity on days of extreme market volatility, especially in March and April.

Performance of TSP Funds

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

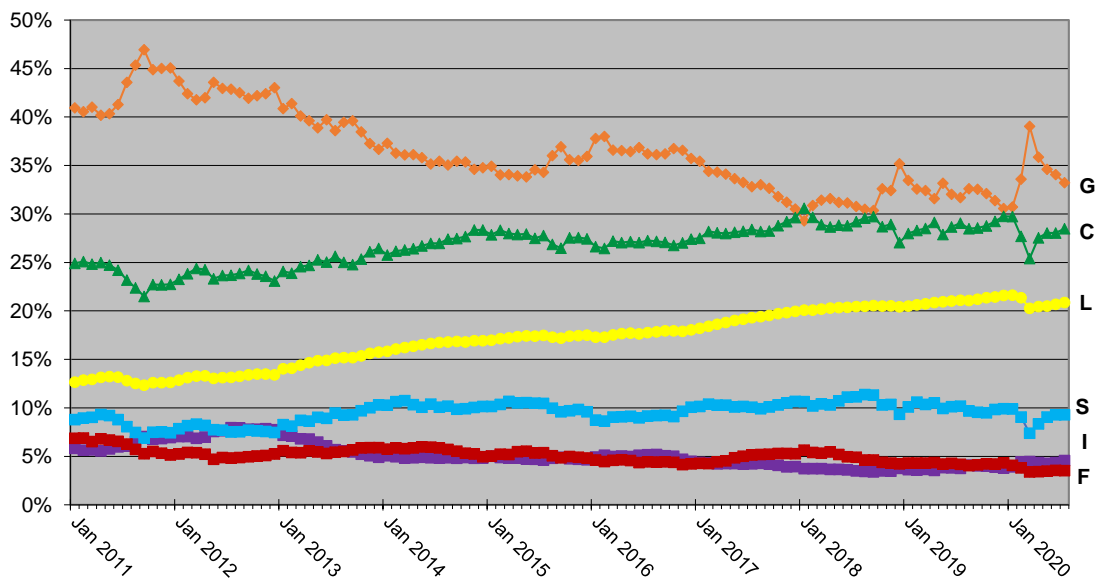


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



Asset Allocation

Participant Asset Allocation History

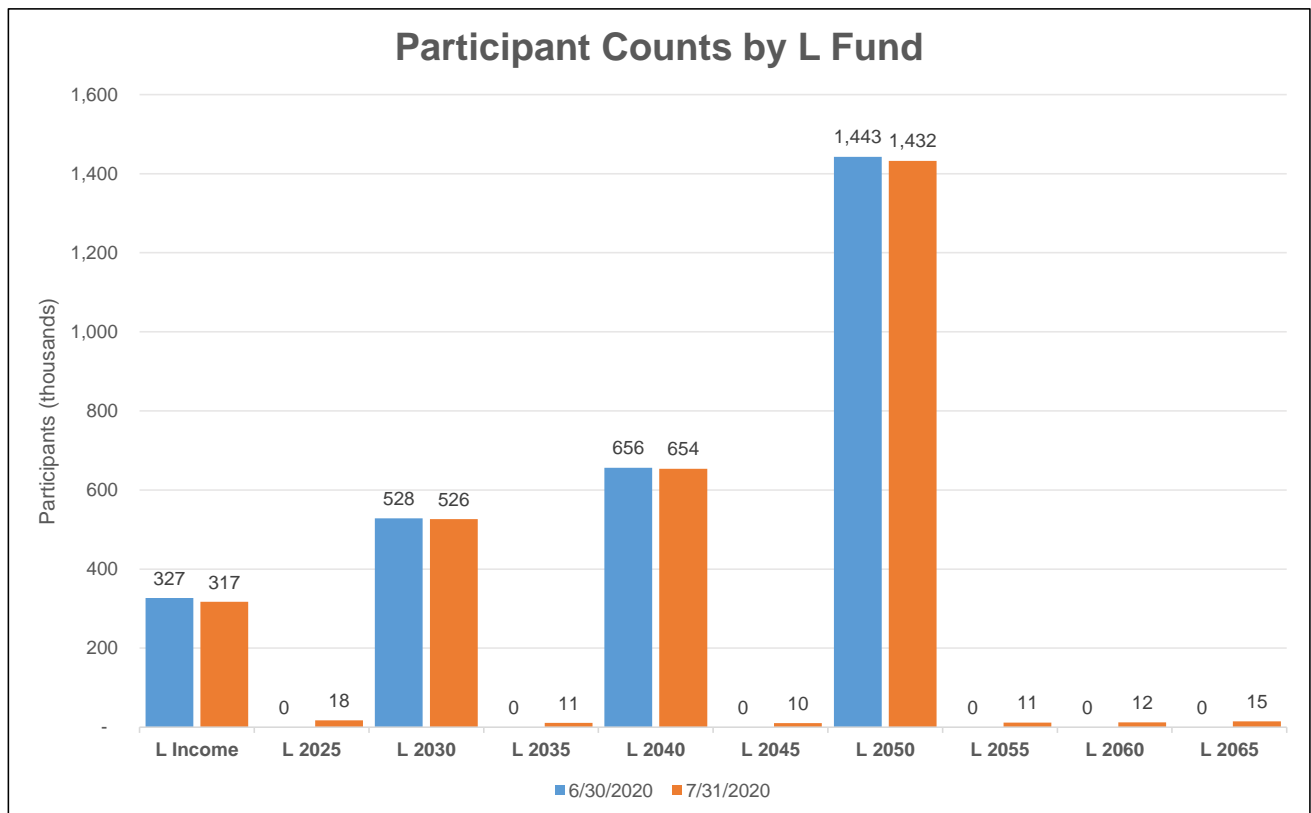
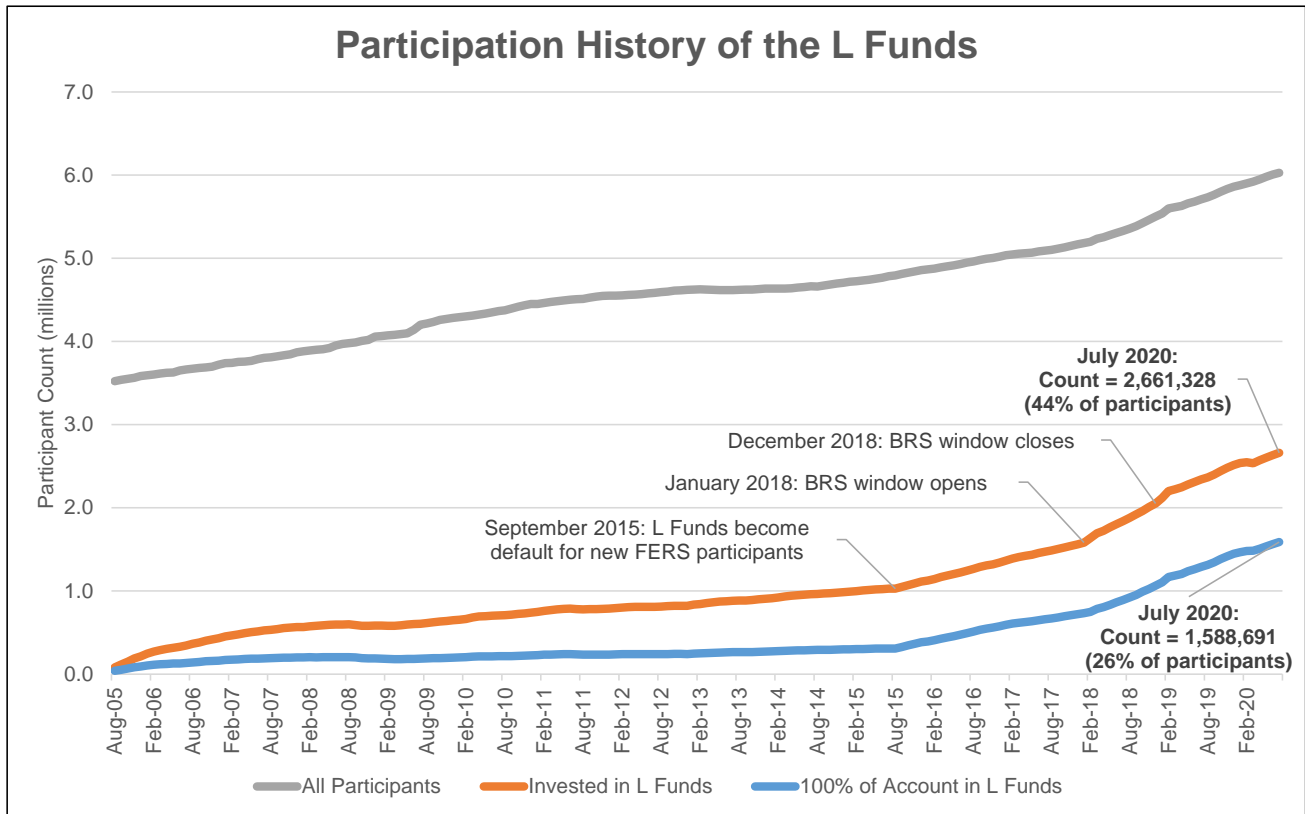


Asset Allocation as of July 31, 2020

	<u>Participant Allocation</u>		<u>Core TSP Funds</u>	
	Assets (\$B)	Share of Total	Assets (\$B)	Share of Total
G Fund	\$213.2	33.3%	\$259.5	40.5%
F Fund	\$29.2	4.6%	\$38.6	6.0%
C Fund	\$182.2	28.5%	\$221.6	34.6%
S Fund	\$59.4	9.3%	\$70.9	11.1%
I Fund	\$22.6	3.5%	\$49.5	7.7%
L Funds	\$133.5	20.9%	n/a	n/a
Total	\$640.1	100%	\$640.1	100%

*Components may not sum to totals because of rounding.

Lifecycle (L) Funds



Interfund Transfer Activity

