



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

December 11, 2020

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: Sean McCaffrey, Chief Investment Officer

SUBJECT: November 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 Funds 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.

November 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	0.98	10.95	18.27	15.50
	BlackRock	0.99	10.95	18.26	15.55
	TSP Fund (Net)	0.99	10.95	18.26	15.54
Tracking Error vs Index (%)	BlackRock	0.01	0.00	-0.01	0.05
	TSP Fund	0.01	0.00	-0.01	0.04

BlackRock's performance for the F, C, and S Funds was in line with the Funds' respective indices for the month. Its performance for the I Fund exceeded that of the International Index by 5 basis points, primarily because of futures mistracking.

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	7.36	14.02	23.24	3.03
	BlackRock	7.40	14.03	23.03	3.45
	TSP Fund (Net)	7.35	13.93	22.95	3.37
Tracking Error vs Index (%)	BlackRock	0.04	0.01	-0.21	0.42
	TSP Fund	-0.01	-0.09	-0.29	0.34

BlackRock's performance for the F Fund exceeded the Fixed Income Index by 4 basis points year-to-date, primarily because of securities lending. Its performance for the C Fund was in line with the Large Cap Index. Its performance for the S Fund lagged the Small Mid Cap Index by 21 basis points, primarily resulting from securities sampling and futures mistracking. BlackRock's performance for the I Fund was ahead of the International Index by 42 basis points, primarily because of tax advantage and futures mistracking.

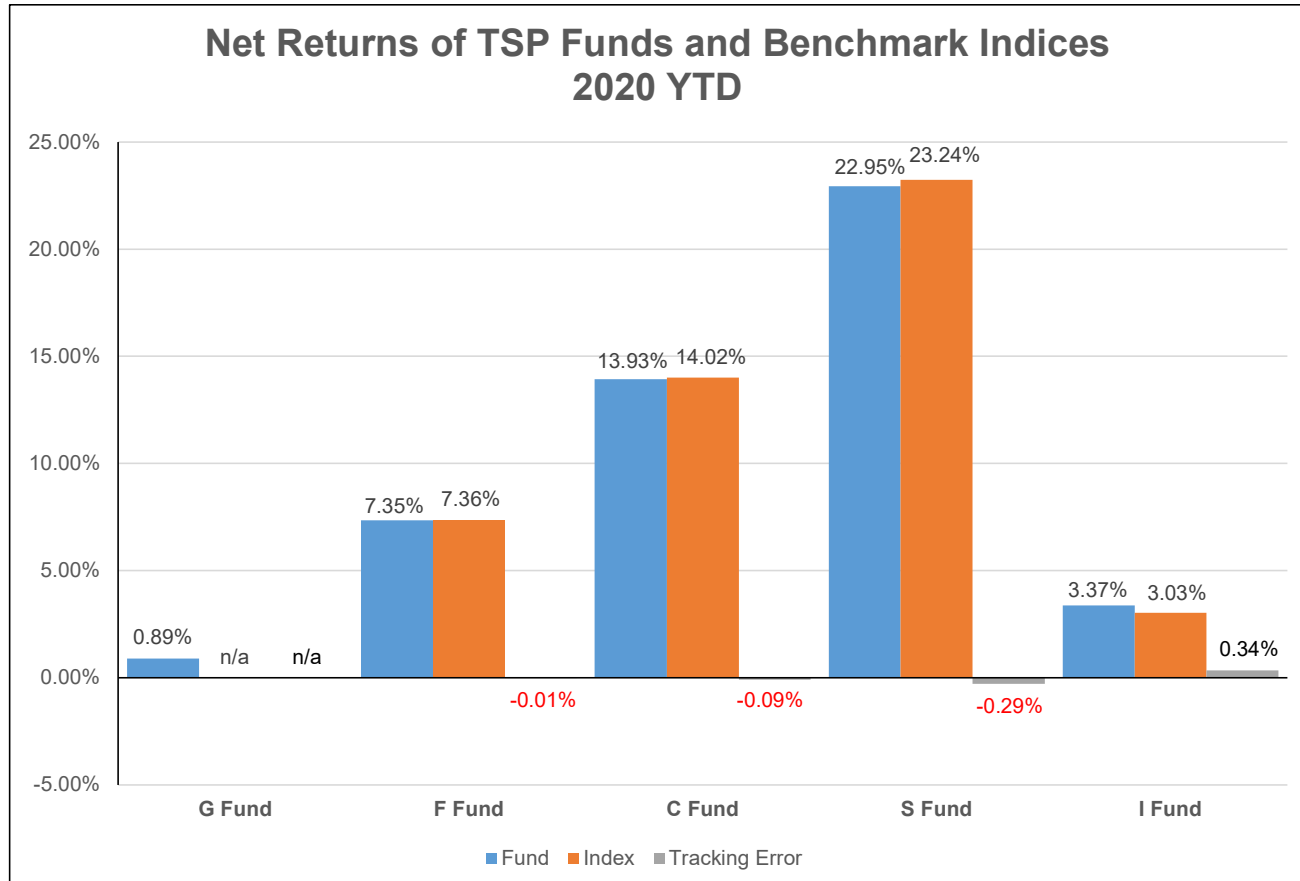
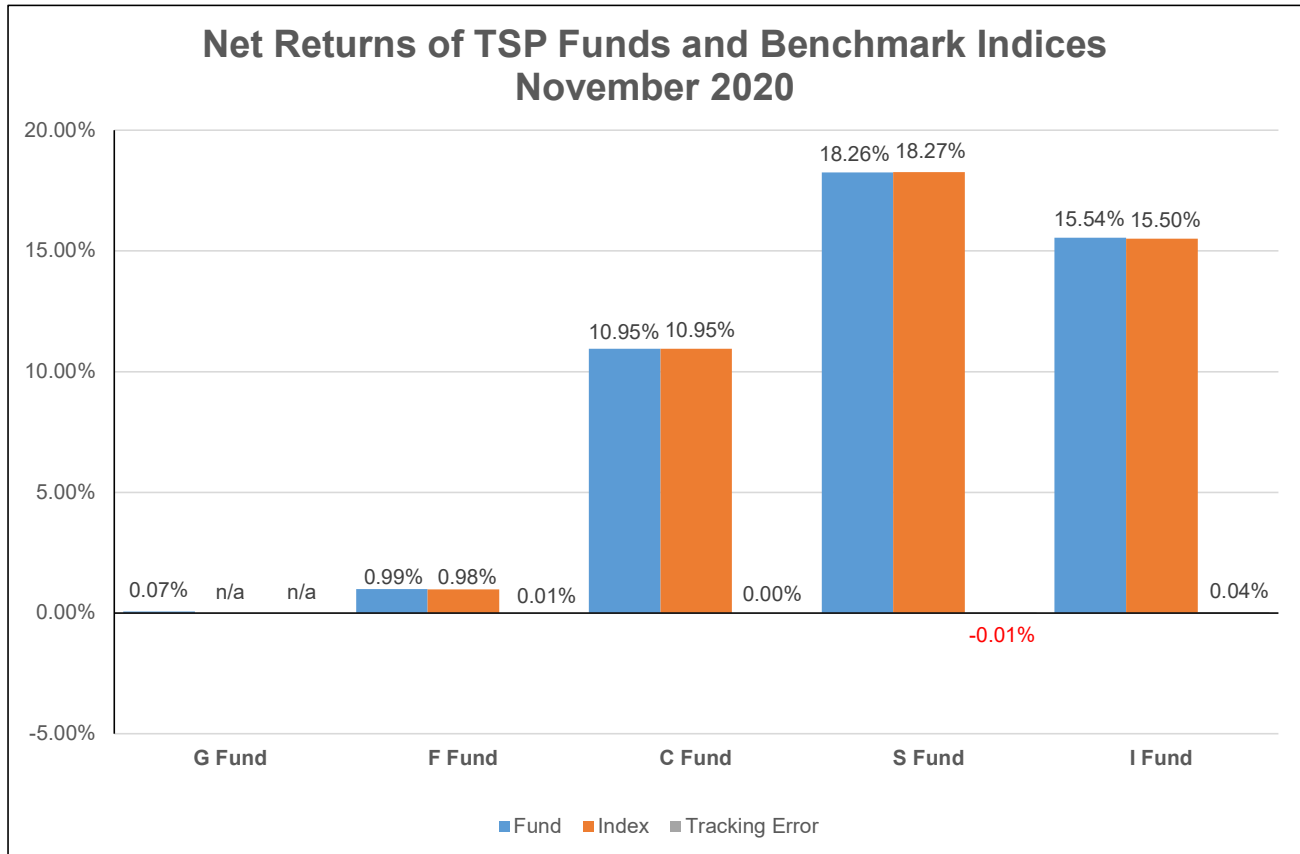
Year-to-date, the F, C, S, and I Funds lagged the BlackRock accounts, primarily resulting from a high volume of participant activity on days of extreme market volatility, especially in March and April.

TSP Net Returns (as of November 30, 2020)

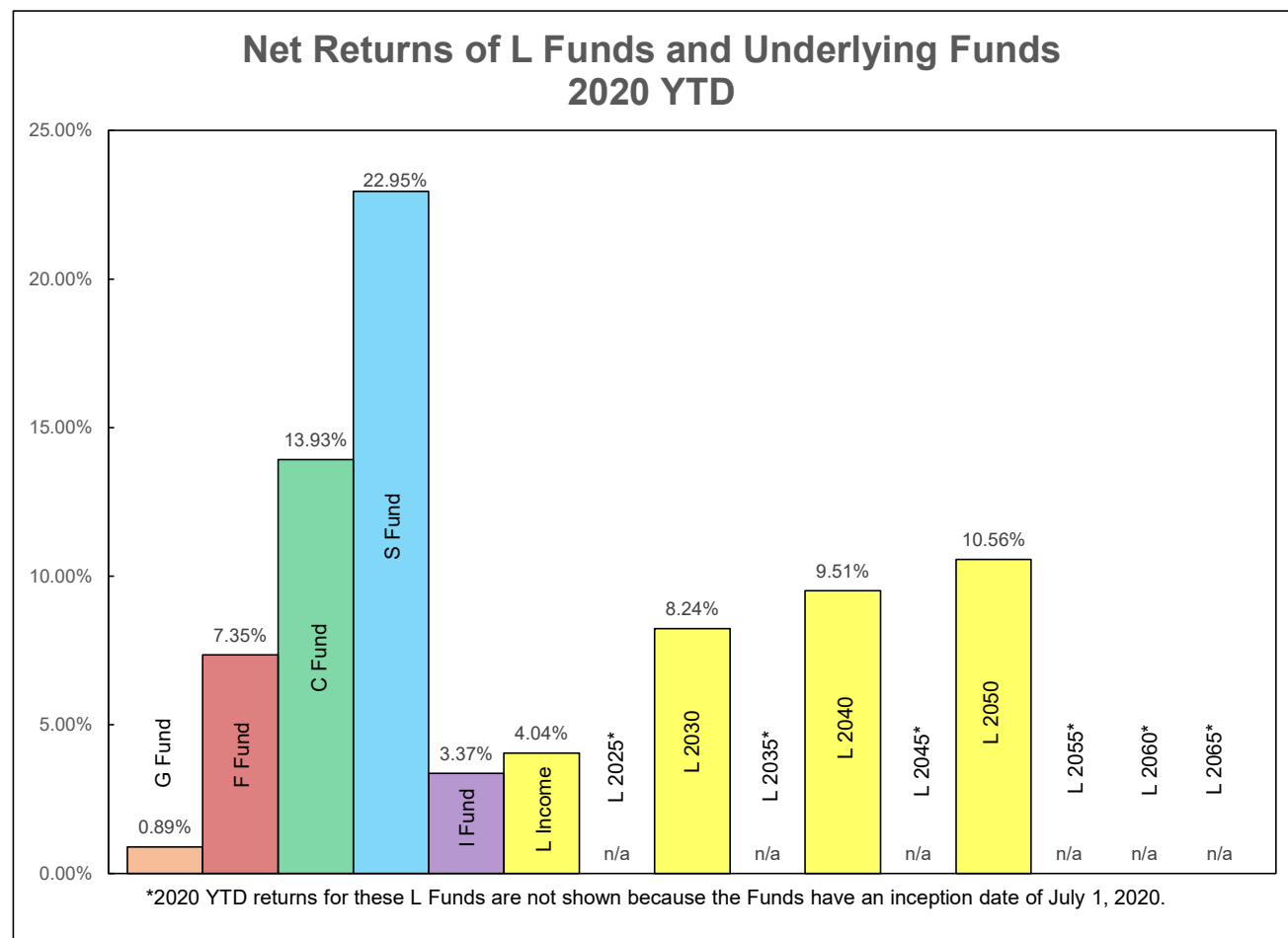
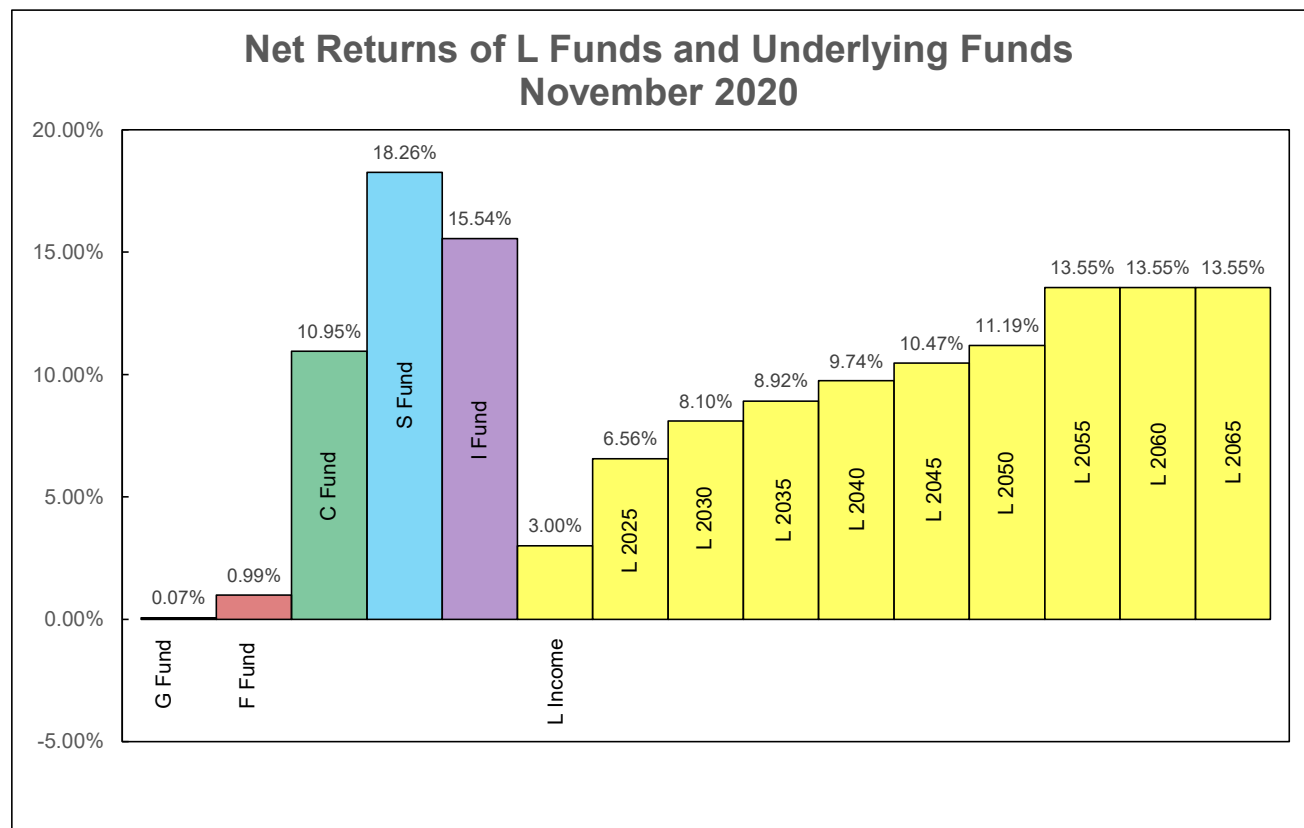
	1-Year	3-Year	5-Year	10-Year
G Fund	1.05%	2.08%	2.07%	2.05%
F Fund	7.27%	5.49%	4.47%	3.94%
Bloomberg Barclays US Agg Bond Index	7.28%	5.45%	4.34%	3.71%
Tracking Error	-0.01%	0.04%	0.13%	0.23%
C Fund	17.36%	13.12%	13.97%	14.21%
S&P 500 Index	17.46%	13.17%	13.99%	14.19%
Tracking Error	-0.10%	-0.05%	-0.02%	0.02%
S Fund	25.59%	12.78%	13.54%	13.34%
Dow Jones US Completion TSM Index	25.91%	12.75%	13.38%	13.04%
Tracking Error	-0.32%	0.03%	0.16%	0.30%
I Fund	6.72%	3.65%	6.58%	6.21%
MSCI EAFE Index	6.37%	3.26%	6.19%	5.85%
Tracking Error	0.35%	0.39%	0.39%	0.36%
L Income Fund	4.81%	4.22%	4.34%	4.31%
L 2025 Fund	N/A	N/A	N/A	N/A
L 2030 Fund	10.22%	7.36%	8.23%	8.58%
L 2035 Fund	N/A	N/A	N/A	N/A
L 2040 Fund	11.86%	8.25%	9.28%	9.58%
L 2045 Fund	N/A	N/A	N/A	N/A
L 2050 Fund	13.24%	8.98%	10.18%	N/A
L 2055 Fund	N/A	N/A	N/A	N/A
L 2060 Fund	N/A	N/A	N/A	N/A
L 2065 Fund	N/A	N/A	N/A	N/A
Inception date for L 2025, L 2035, L 2045, L 2055, L 2060, L 2065: July 1, 2020				
Inception date for L 2050: January 31, 2011				

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.

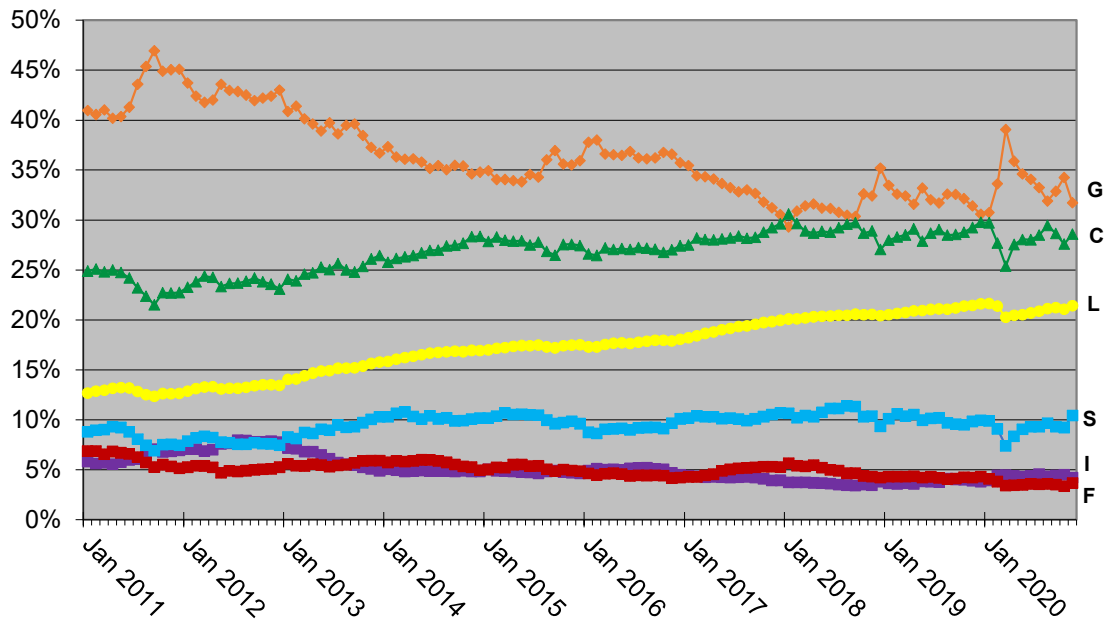


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



Asset Allocation

Participant Asset Allocation History

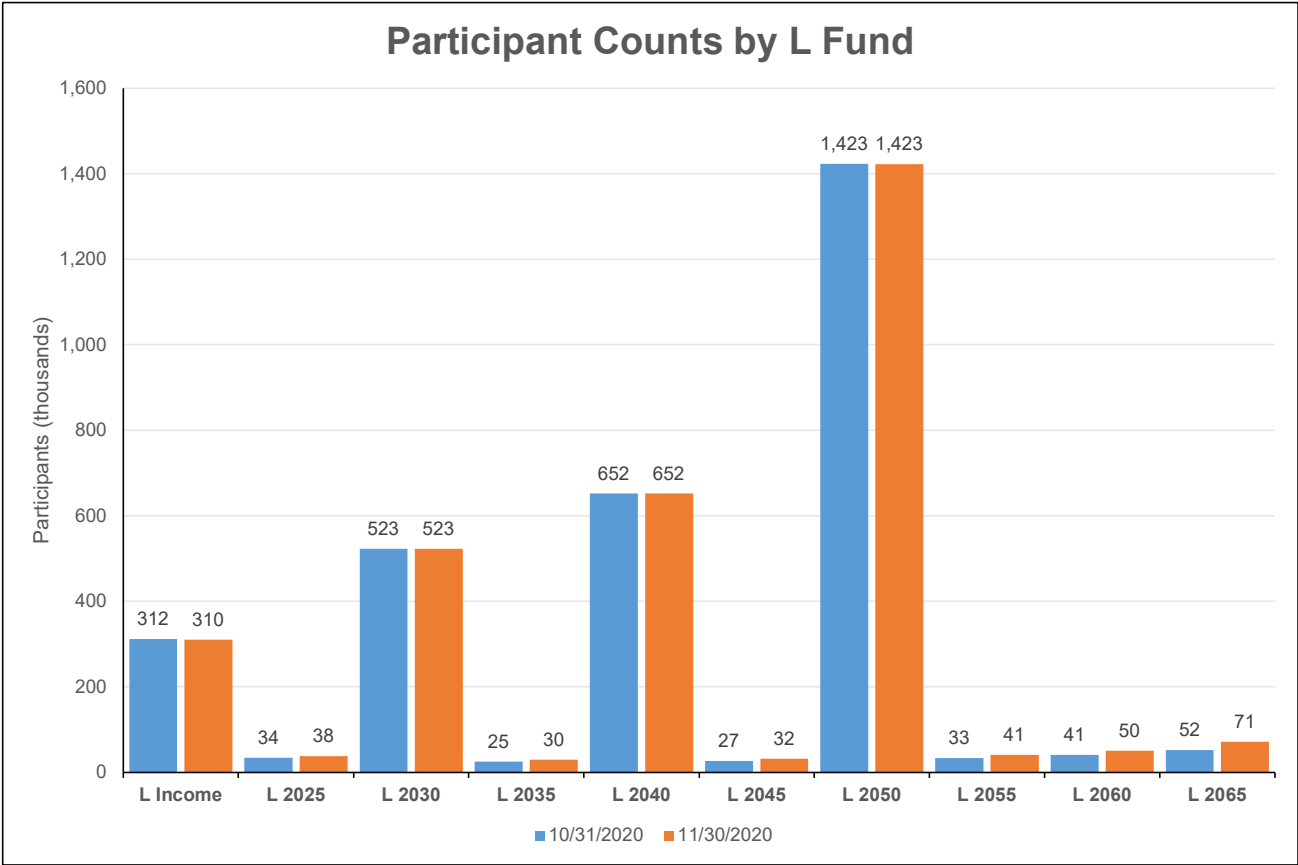
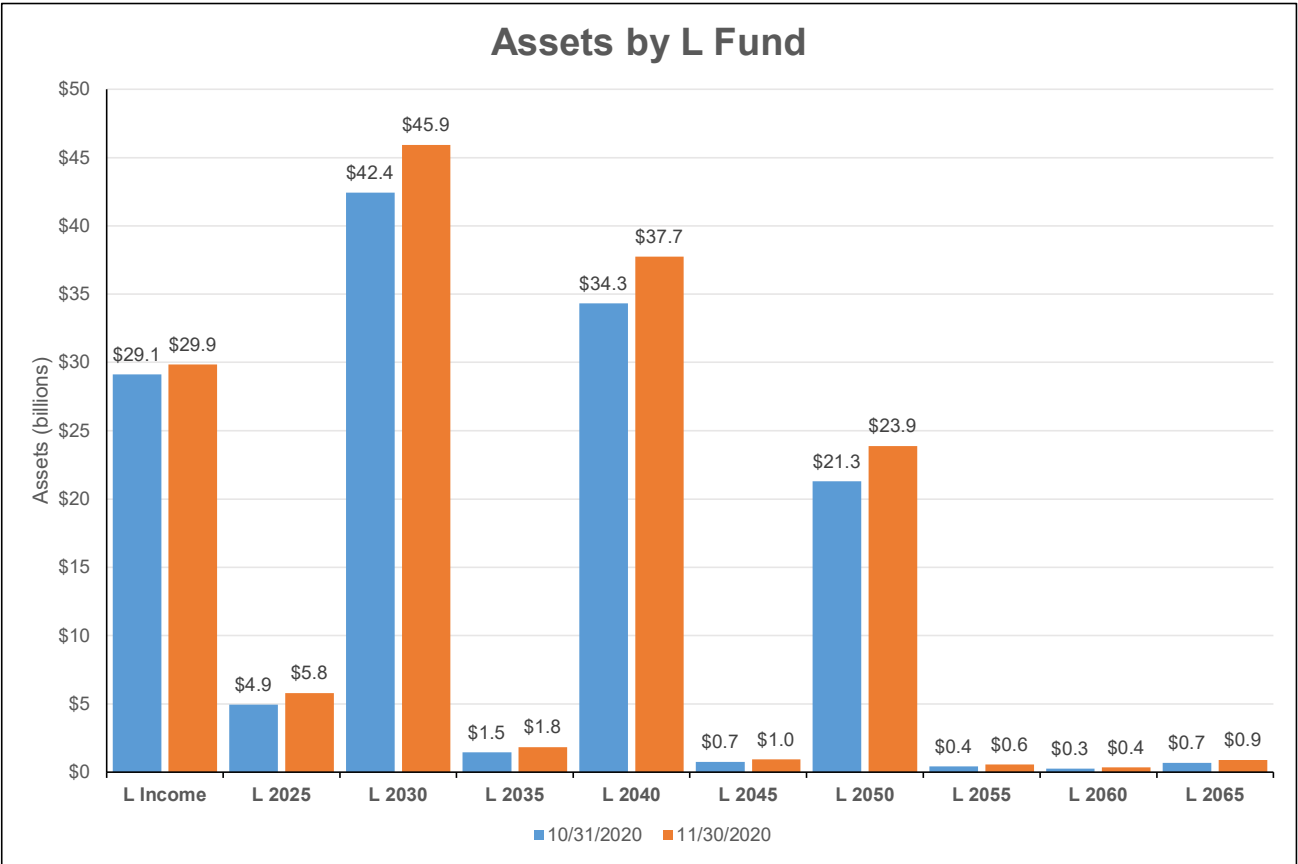


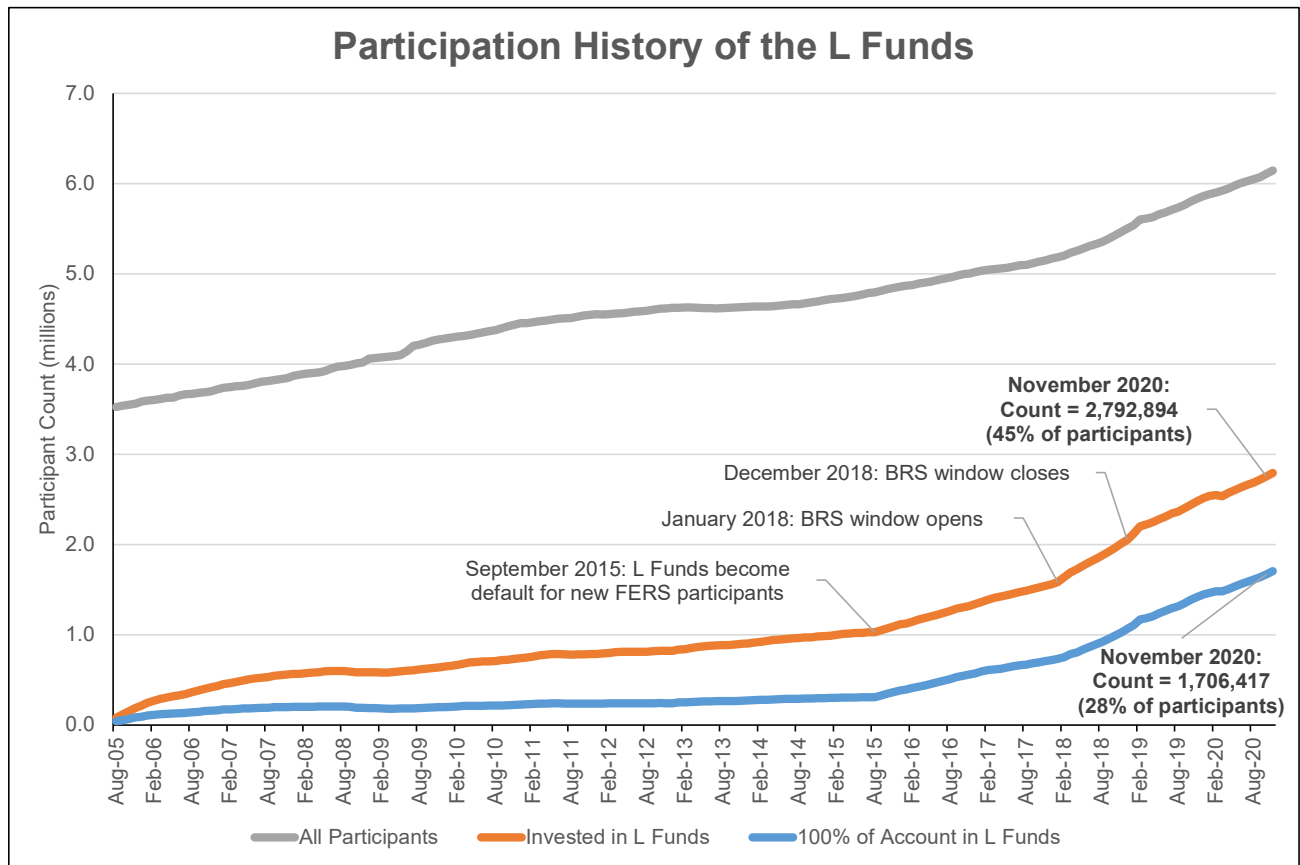
Asset Allocation as of November 30, 2020

	<u>Participant Allocation</u>		<u>Core TSP Funds</u>	
	<u>Assets</u> (billions)	<u>Share of</u> <u>Total</u>	<u>Assets</u> (billions)	<u>Share of</u> <u>Total</u>
G Fund	\$219.3	31.8%	\$269.5	39.0%
F Fund	\$29.1	4.2%	\$39.5	5.7%
C Fund	\$197.2	28.6%	\$241.5	35.0%
S Fund	\$71.8	10.4%	\$84.5	12.2%
I Fund	\$25.3	3.7%	\$55.7	8.1%
<u>L Funds</u>	<u>\$147.8</u>	<u>21.4%</u>	<u>n/a</u>	<u>n/a</u>
Total	\$691	100%	\$691	100%

*Components may not sum to totals because of rounding.

Lifecycle (L) Funds





Interfund Transfer Activity

