

Multi Asset Manager Award & Implementation Update

November 16, 2020



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
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Why Multi Asset Manager?



Aon conducted Strategic Investment Operations Review – Index Fund Management and presented findings to the Board on October 27, 2015.



Aon concluded that, while very small, organizational concentration risk was one of the key risks to the investment management structure of the index funds in the TSP as a single firm (BlackRock) manages all the index funds.



Board unanimously approved the use of two index managers for each of the C, S, F, and I funds.



Benefits of the Multiple Asset Manager structure

- Preserves competition
- Diversifies organizational risk
 - Immediate liquidity for participants
 - At-the-ready capability to manage Funds

Status Update

Contract Award Dates

- BlackRock: February 1, 2020
- State Street: October 21, 2020

| Fund | Target Allocation to State Street | Target Date | Approximate Amount |
|------|-----------------------------------|---------------|--------------------|
| C | 10% | January 2021 | 21.8 Bn |
| S | 20% | February 2021 | 14.2 Bn |
| F | 20% | March 2021 | 7.7 Bn |
| I | 20% | TBD | 9.9 Bn |

* Based on October 31, 2020 Fund Balances



Next Steps

- Aon Investments awarded task order for advising asset transfer
- First consultation meeting between FRTIB, Aon, SSGA, and BlackRock held on October 30, 2020
- Sequential C/S/F Fund transfer anticipated to begin in January 2021
- Base line one transfer per end-of-day Friday TBD per month, possibly accelerated if no issues