



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

November 8, 2019

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

SUBJECT: October 2019 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	0.29	0.28	0.30	-0.01	-0.01
Large Cap	2.17	2.16	2.17	0.00	-0.01
Small Mid Cap	1.93	1.93	1.89	0.04	0.00
International	3.61	3.60	3.59	0.02	-0.01

2019 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	8.85	8.82	8.85	0.00	-0.03
Large Cap	23.18	23.14	23.16	0.02	-0.04
Small Mid Cap	19.87	19.83	19.75	0.12	-0.04
International	17.28	17.28	16.86	0.42	0.00

BlackRock’s performance for the F, C, and I Funds was in-line with the Funds' respective indices for the month. Its performance for the S Fund was above the Small Mid Cap Index by 4 basis points, attributable to sampling and securities lending. For the F and C Funds year-to date, BlackRock's performance was in-line with the Funds' respective indices. Year-to-date, BlackRock outperformed the Small Mid Cap Index by 12 basis points, primarily due to securities sampling. Its performance for the I Fund exceeded that of the International Index by 42 basis points due to tax advantage.

The TSP Funds closely tracked the BTC Accounts for the month. Year-to-date, the TSP Funds also closely tracked the BTC Accounts.

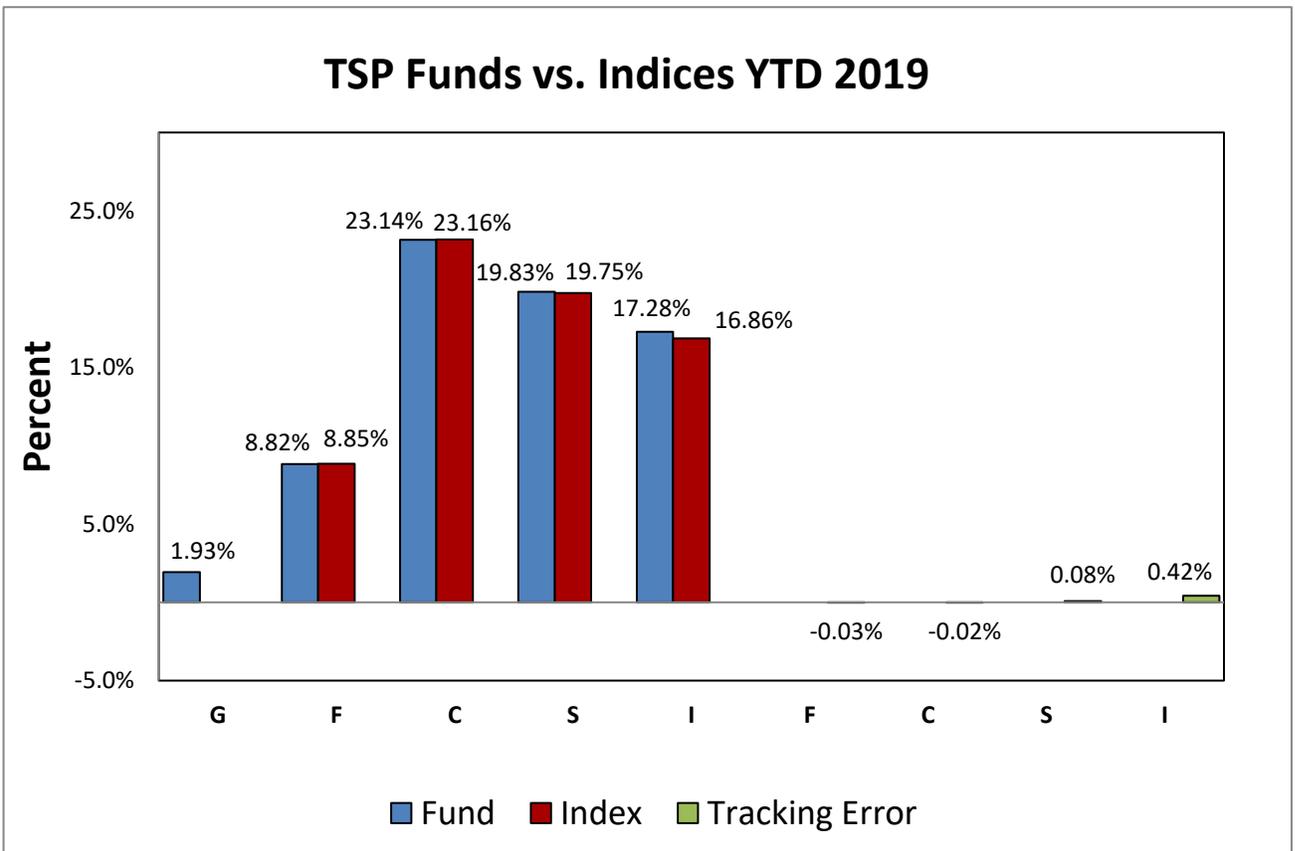
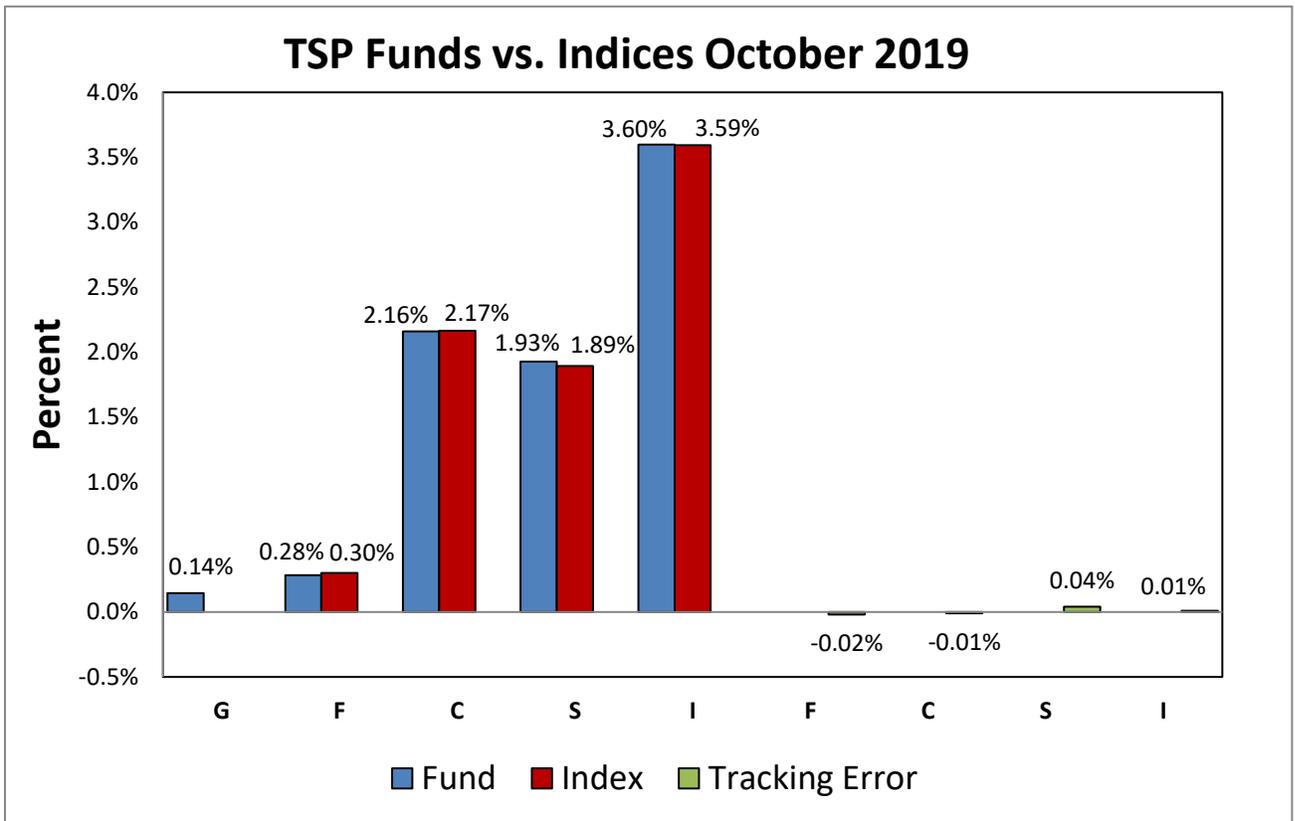
Trading Costs

		<u>Trading Costs</u>	
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
October	709,832,556	53,373	0.8
Year-to-Date	8,888,880,114	740,467	0.8
<u>C Fund</u>			
October	3,284,595,620	77,001	0.2
Year-to-Date	27,428,149,526	(4,654,969)	-1.7
<u>S Fund</u>			
October	1,462,353,458	466,337	3.2
Year-to-Date	15,737,896,983	(169,458)	-0.1
<u>I Fund</u>			
October	1,449,417,217	805,516	5.6
Year-to-Date	16,649,848,933	(11,649,604)	-7.0

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

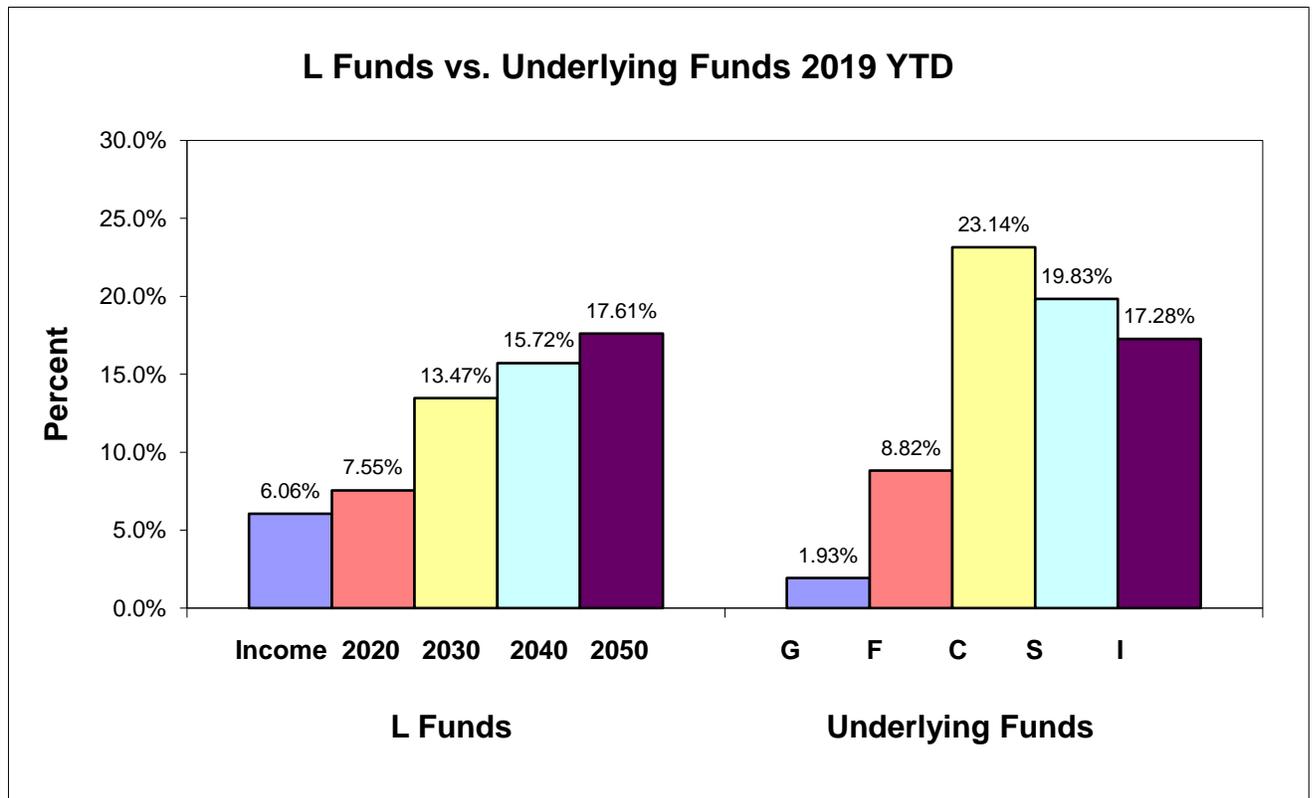
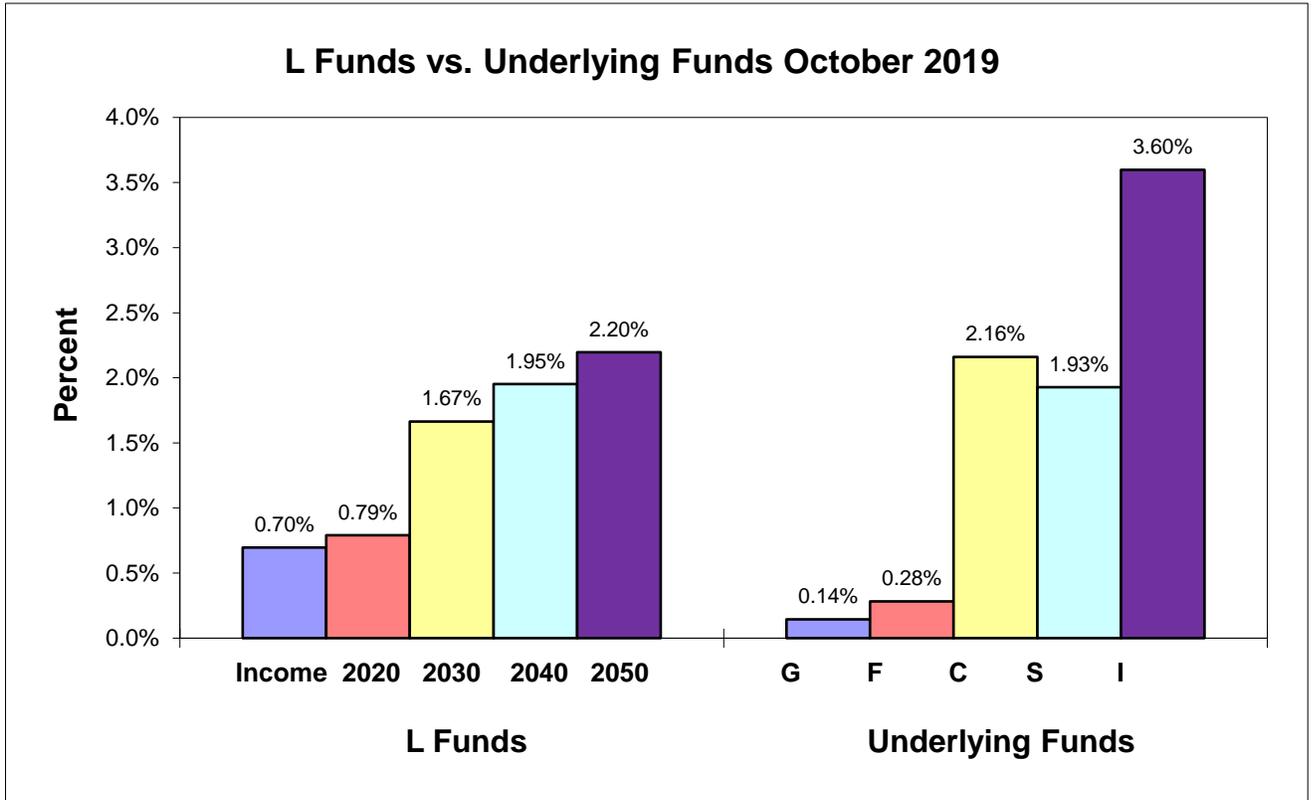
Performance of TSP Funds Total Returns

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



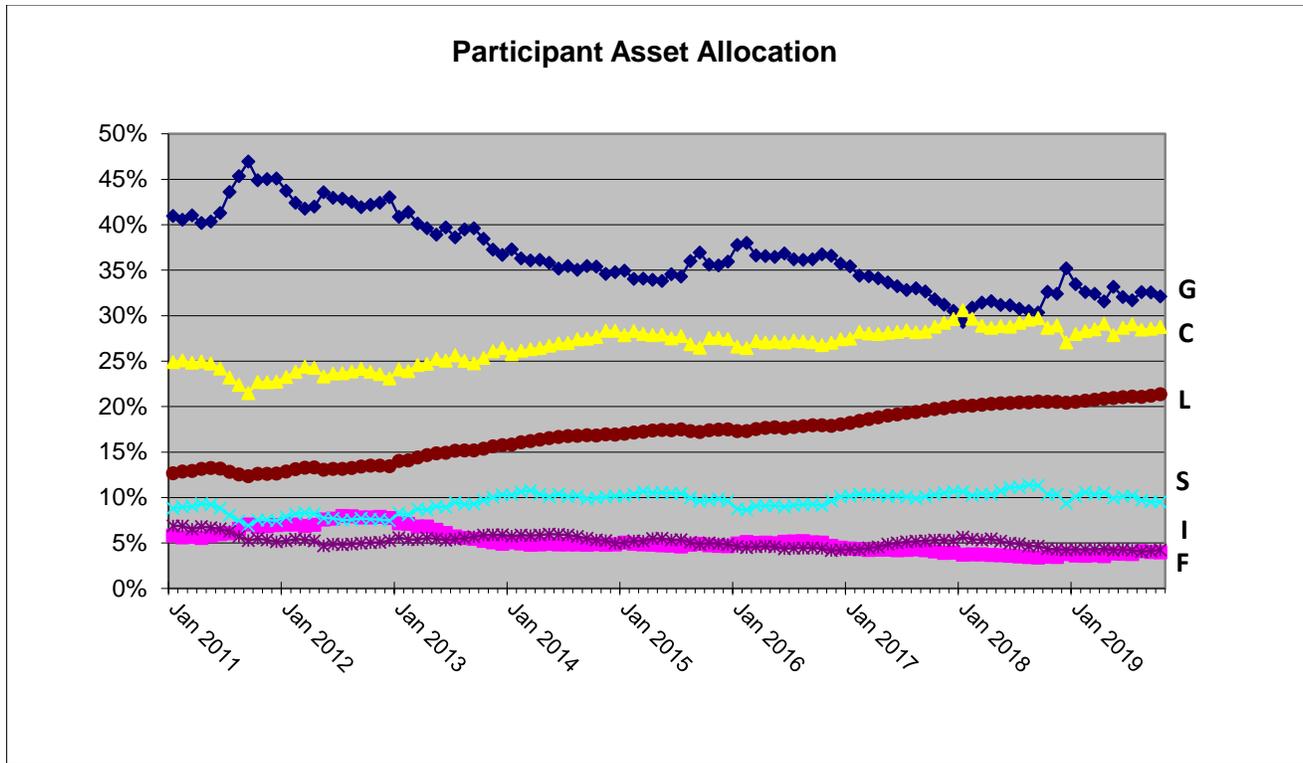
L Funds

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.



**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
OCTOBER 2019**

Attachment 1



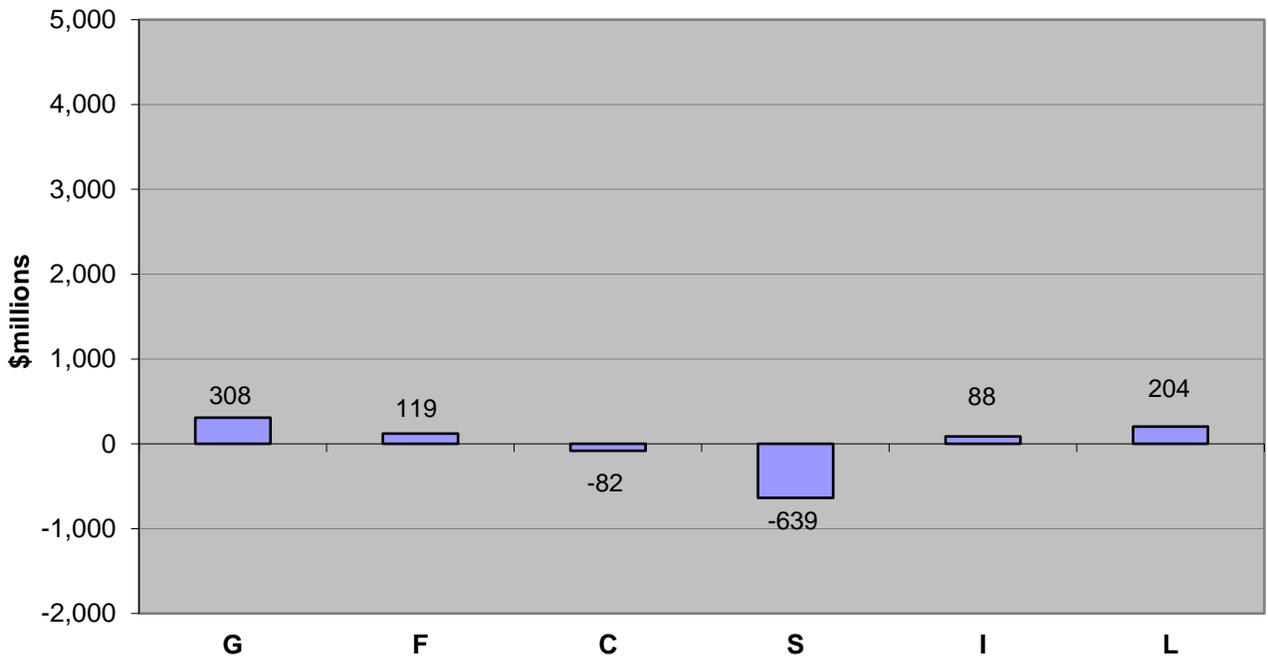
TSP Assets -- Participant Allocation (October 31, 2019)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$196.1	32.2%
F Fund	\$24.3	4.0%
C Fund	\$175.1	28.7%
S Fund	\$57.9	9.5%
I Fund	\$25.8	4.2%
L Funds	<u>\$130.0</u>	<u>21.3%</u>
Total	\$609.2	100%

TSP Assets -- By Core Funds (October 31, 2019)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$244.5	40.1%
F Fund	\$33.4	5.5%
C Fund	\$211.5	34.7%
S Fund	\$68.5	11.2%
I Fund	<u>\$51.2</u>	<u>8.4%</u>
Total	\$609.2	100%

Components may not sum to totals because of rounding.

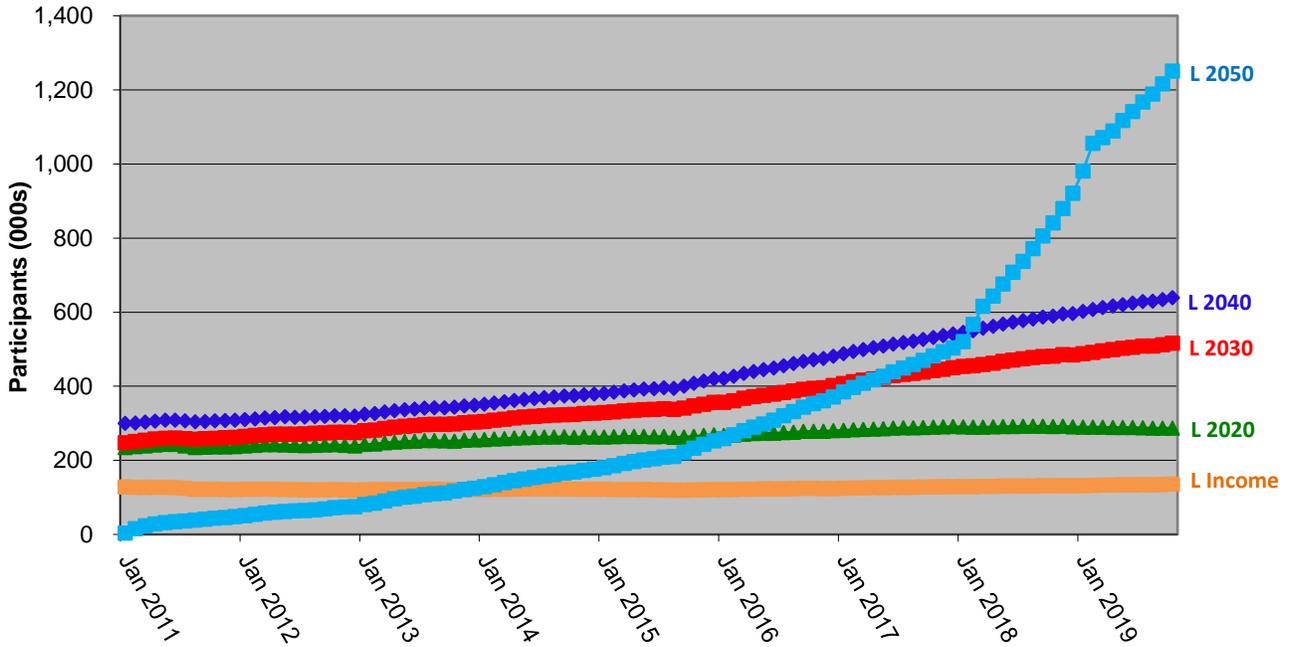
**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
OCTOBER 2019**

Interfund Transfers October 2019



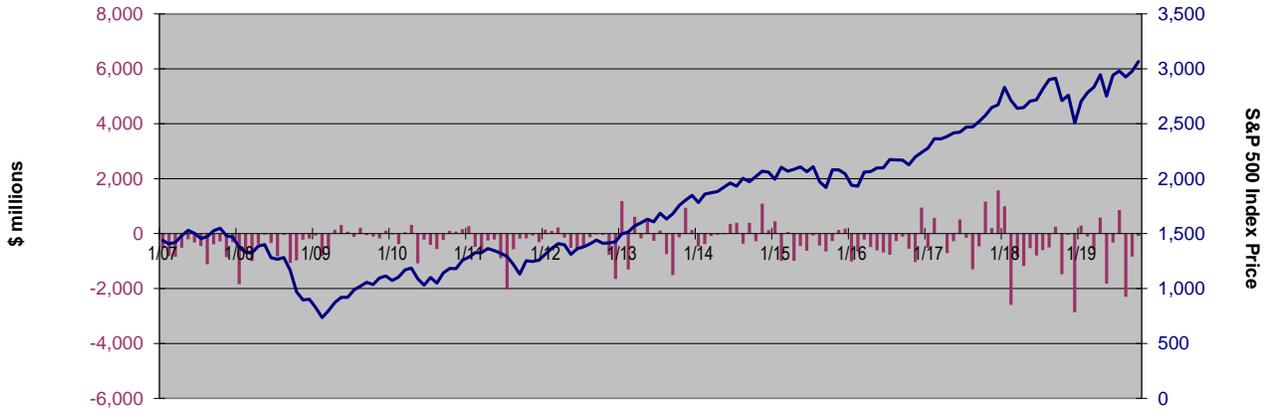
*Components may not sum to 0 because of rounding.

**Number of L Fund Participants
Total = 2,441,124**

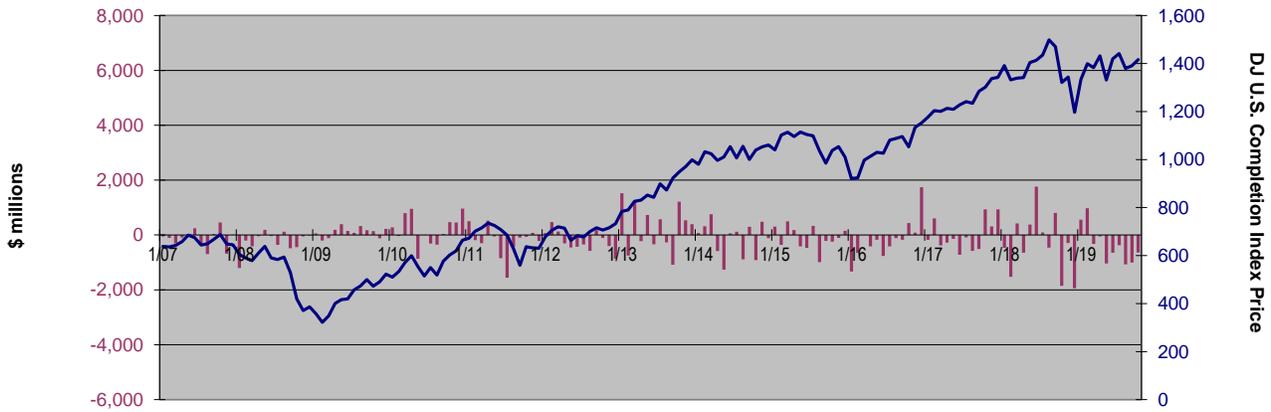


**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
OCTOBER 2019**

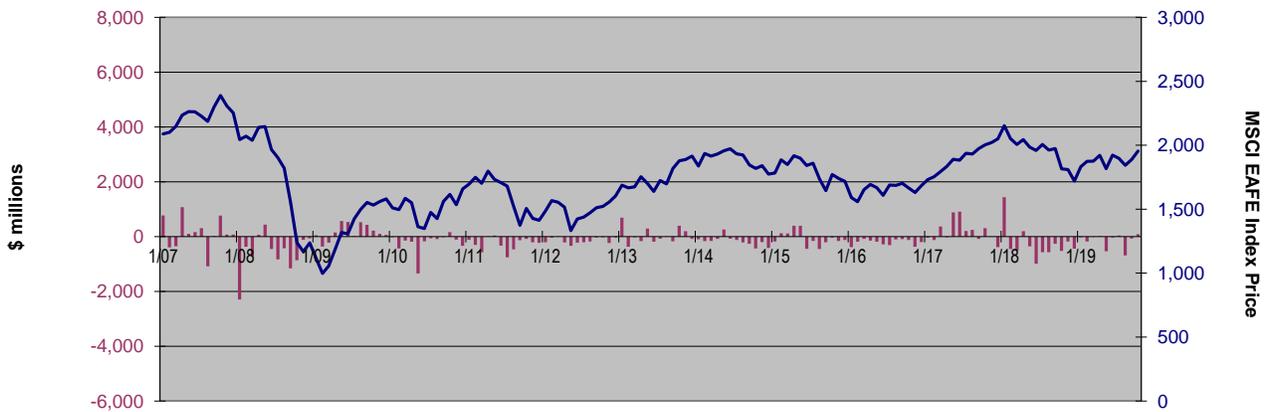
**Monthly Interfund Transfers
C Fund**



**Monthly Interfund Transfers
S Fund**

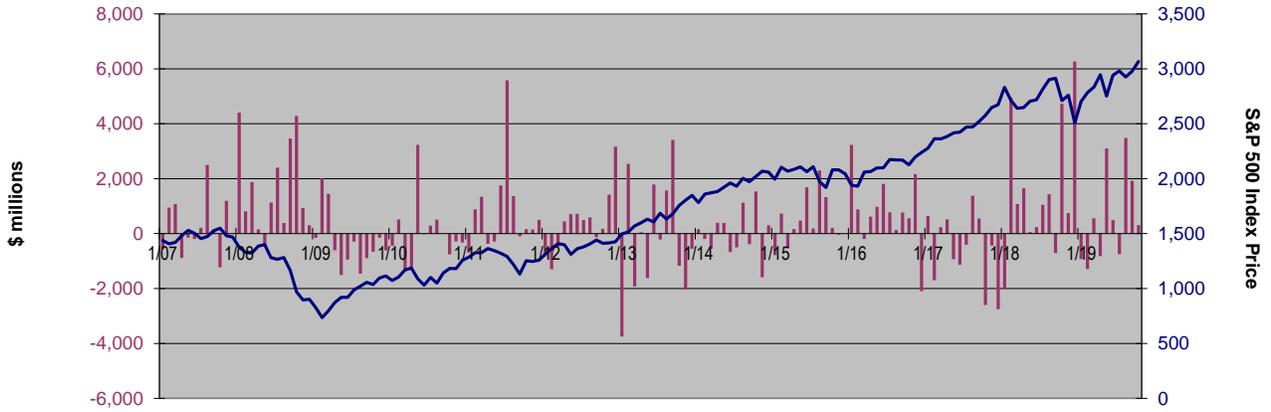


**Monthly Interfund Transfers
I Fund**

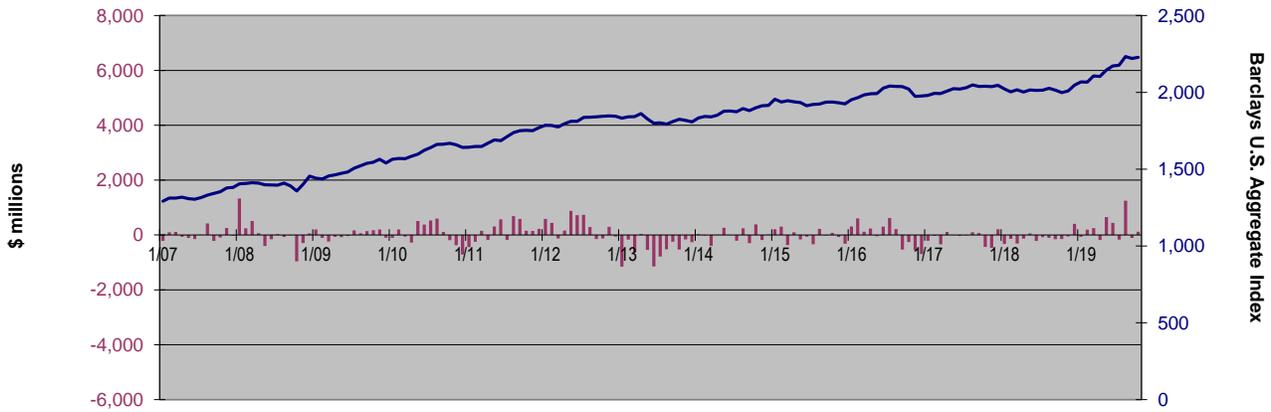


**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
OCTOBER 2019**

**Monthly Interfund Transfers
G Fund**



**Monthly Interfund Transfers
F Fund**



**Monthly Interfund Transfers
L Funds**

