



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

June 15, 2020

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

SUBJECT: May 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, trading costs, interfund transfer activity, and L Fund participation.

TRACKING ERROR - TSP Separate Accounts at BlackRock (BTC)

May 2020 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	0.46	0.46	0.47	-0.01	0.00
Large Cap	4.77	4.76	4.76	0.01	-0.01
Small Mid Cap	8.79	8.79	8.82	-0.03	0.00
International	4.51	4.50	4.35	0.16	-0.01

2020 Year-to-Date 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	5.44	5.42	5.47	-0.03	-0.02
Large Cap	-4.97	-5.03	-4.97	0.00	-0.06
Small Mid Cap	-9.41	-9.47	-9.28	-0.13	-0.06
International	-14.01	-14.04	-14.26	0.25	-0.03

BlackRock's performance for the F and C Funds was in line with the Funds' respective indices for the month. Its performance for the S Fund lagged the Small Mid Cap Index by 3 basis points, primarily due to securities sampling and futures mistracking. Its performance for the I Fund was ahead of the International Index by 16 basis points, primarily due to tax advantage, futures mistracking, and the reversal of fair value pricing that occurred on the last trading day of April. For the F and C Funds year-to-date, BlackRock's performance was in line with the Funds' respective indices. Its performance for the S Fund lagged the Small Mid Cap Index by 13 basis points, primarily due to futures mistracking. Performance for the I Fund exceeded that of the International Index by 25 basis points, primarily due to tax advantage.

The TSP Funds closely tracked the BTC accounts for the month. Year-to-date, the F and I Funds tracked the BTC accounts. The C and S Funds lagged the BTC accounts, primarily due to a high volume of participant activity on days of extreme market volatility.

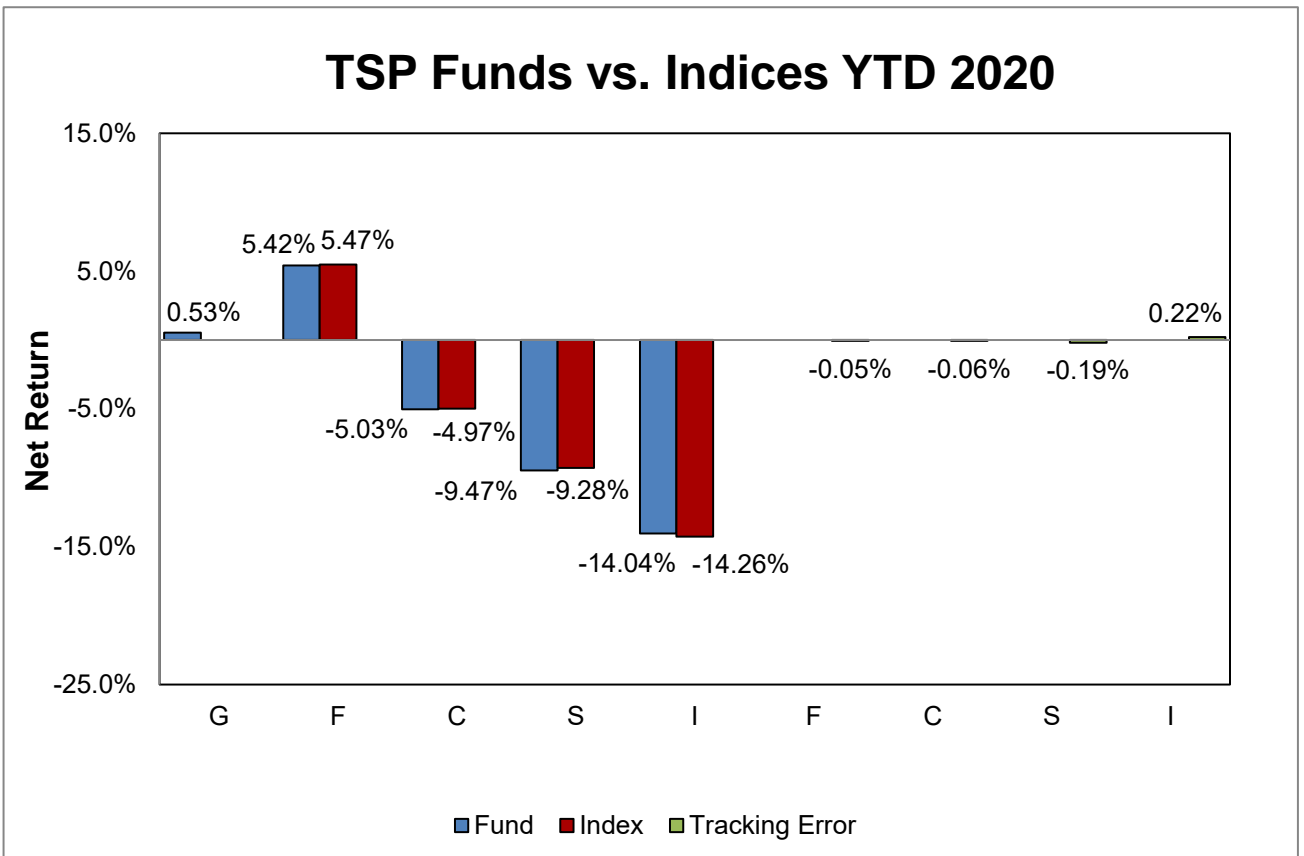
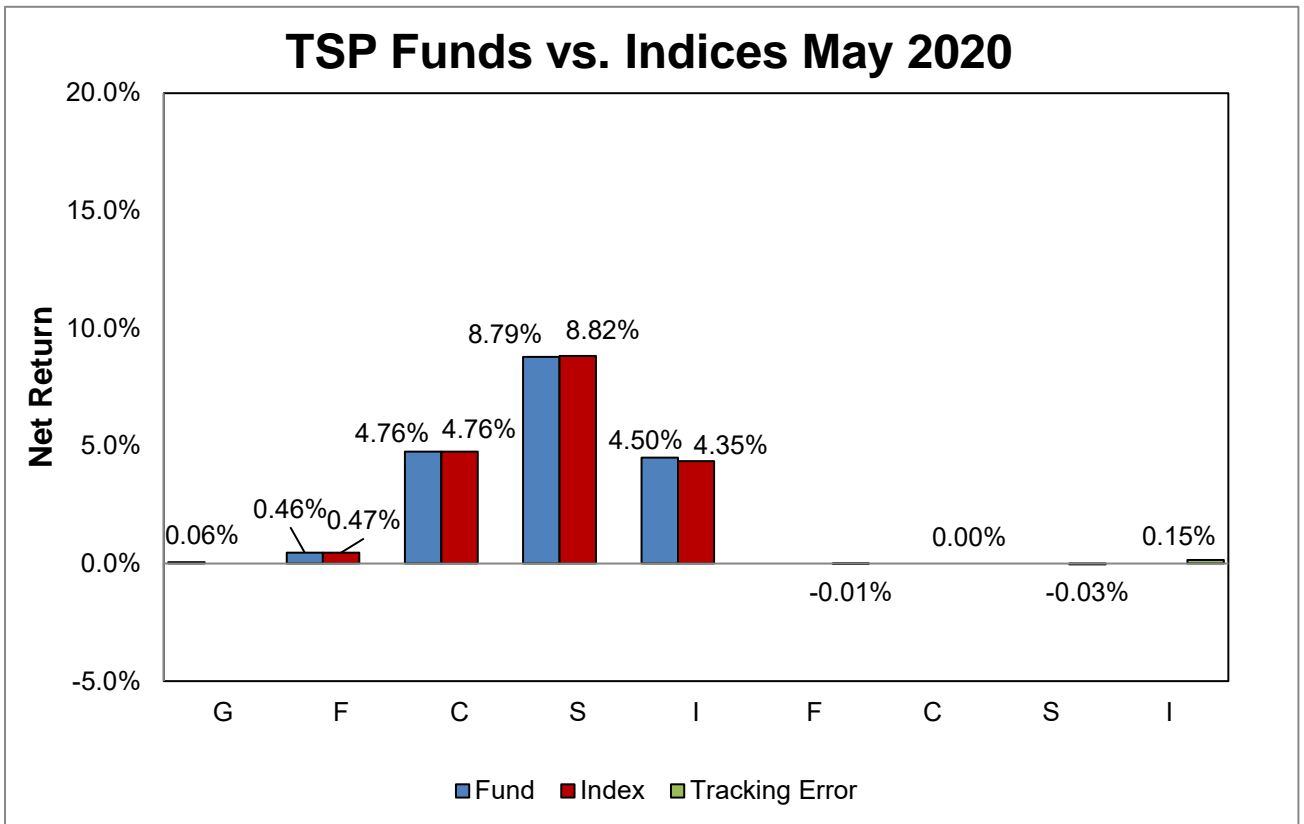
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount Traded</u>	<u>Dollars</u>	<u>Basis Points</u>
May	1,276,345,398	66,453	0.5
Year-to-Date	13,460,000,085	(170,930)	-0.1
 <u>C Fund</u>			
May	2,758,335,464	(602,502)	-2.2
Year-to-Date	35,103,153,614	10,513,472	3.0
 <u>S Fund</u>			
May	2,217,274,329	(1,061,209)	-4.8
Year-to-Date	17,075,963,439	(7,824,583)	-4.6
 <u>I Fund</u>			
May	3,745,580,061	985,544	2.6
Year-to-Date	16,948,163,932	(3,263,734)	-1.9

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

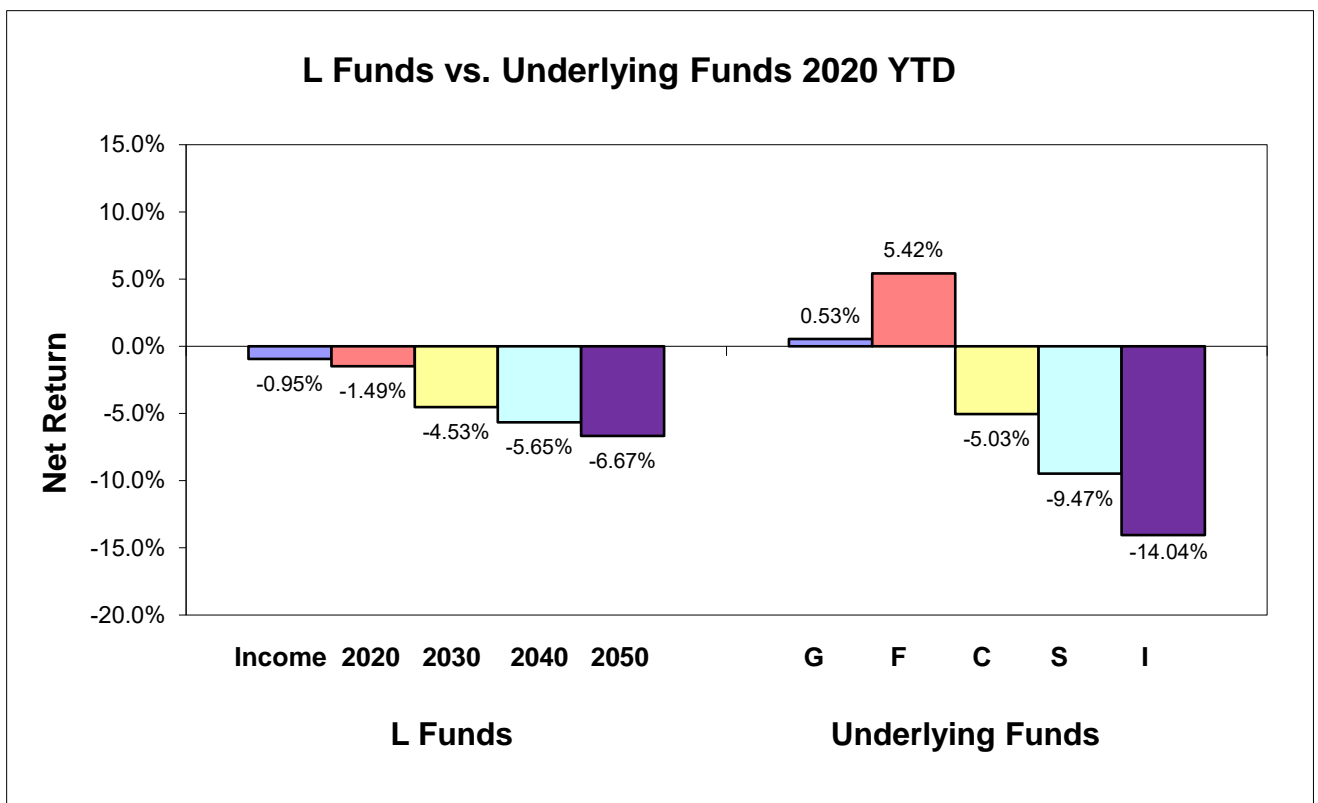
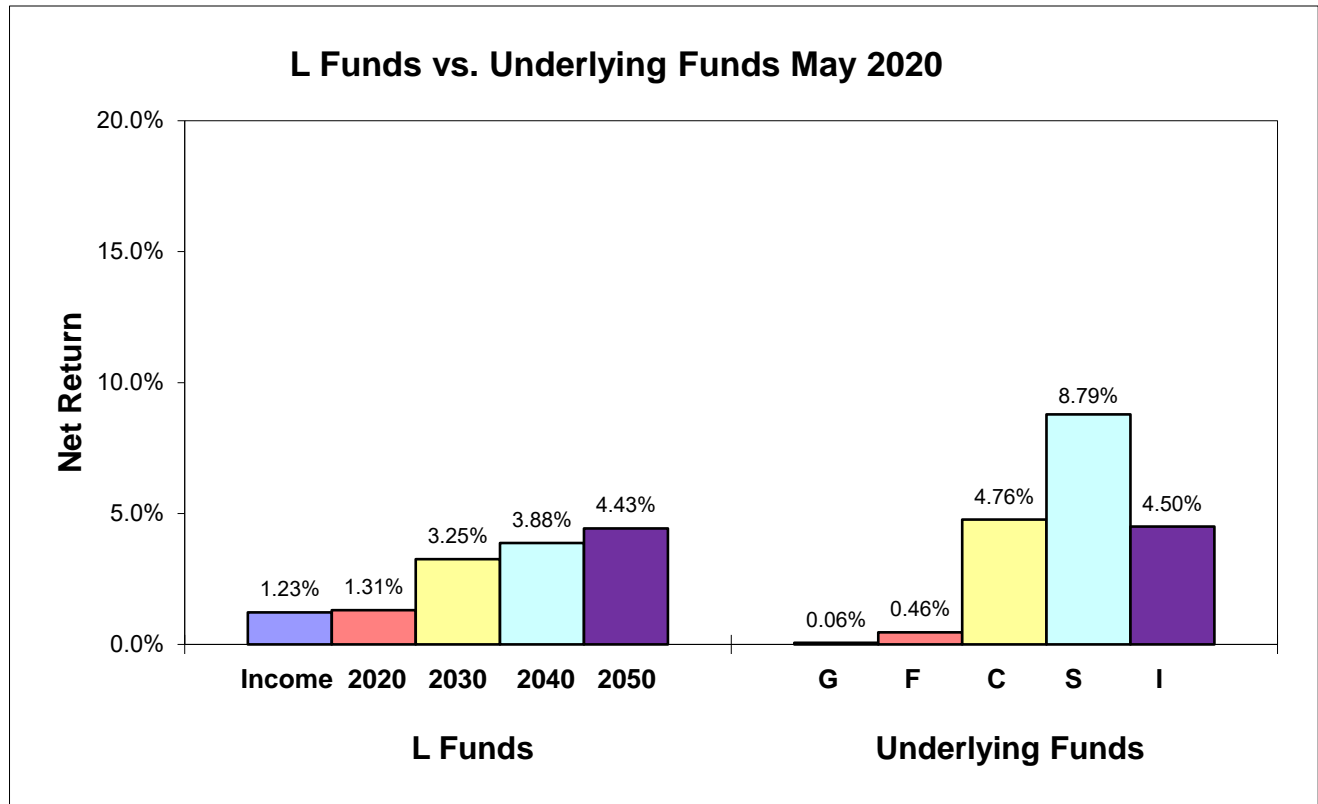
Performance of TSP Funds

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



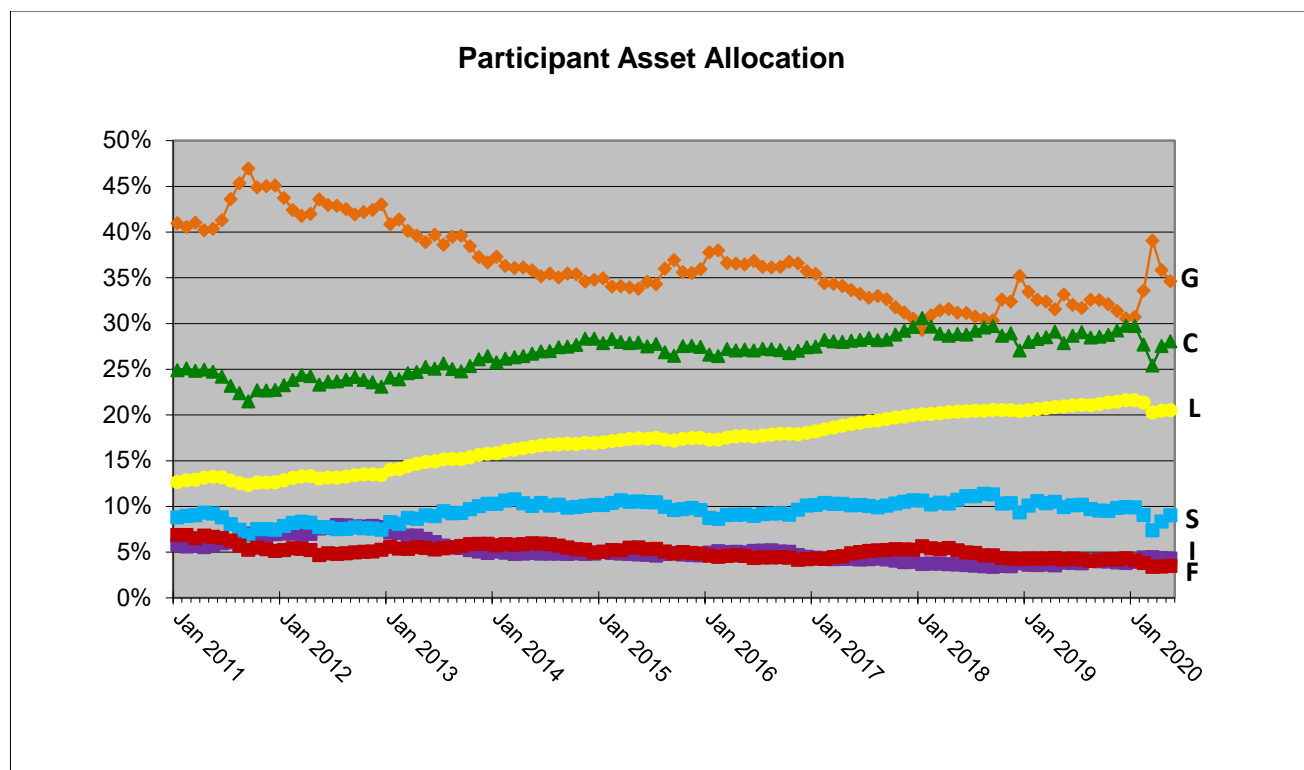
L Funds

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
MAY 2020**

Attachment 1



TSP Assets -- Participant Allocation (May 31, 2020)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$212.1	34.7%
F Fund	\$26.2	4.3%
C Fund	\$171.5	28.0%
S Fund	\$55.3	9.0%
I Fund	\$21.3	3.5%
L Funds	<u>\$125.5</u>	<u>20.5%</u>
Total	\$612.0	100%

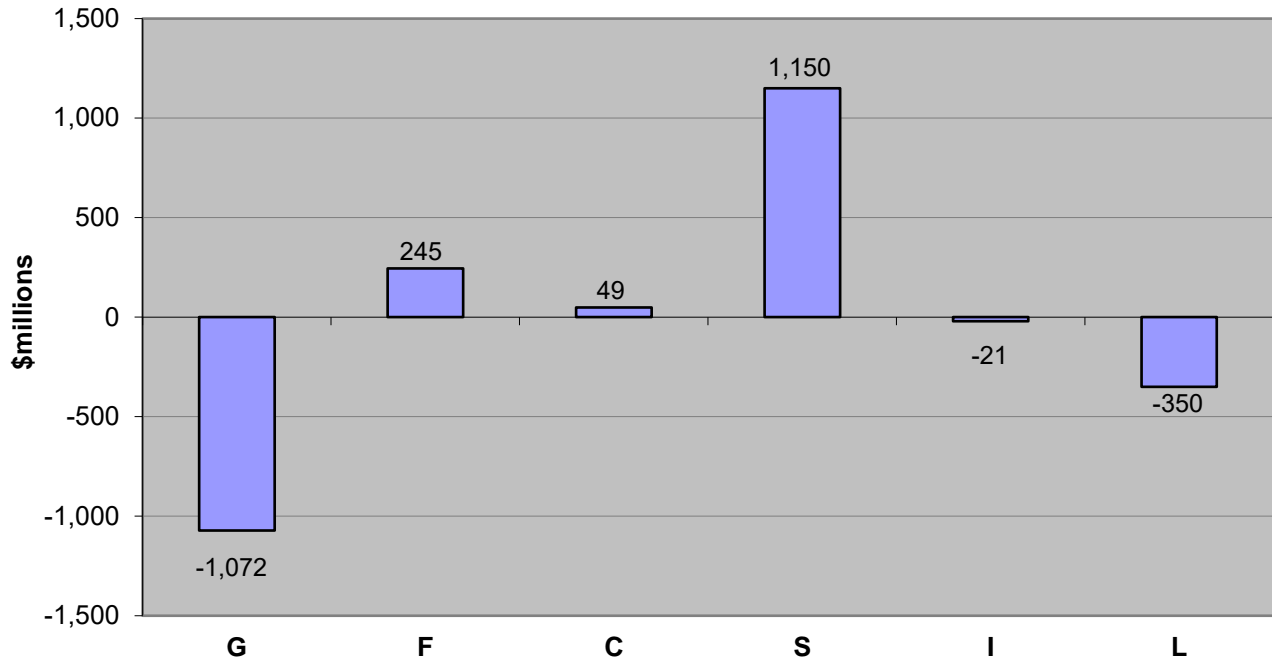
TSP Assets -- By Core Funds (May 31, 2020)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$257.0	42.0%
F Fund	\$35.1	5.7%
C Fund	\$207.7	33.9%
S Fund	\$65.9	10.8%
I Fund	<u>\$46.2</u>	<u>7.5%</u>
Total	\$612.0	100%

Components may not sum to totals because of rounding.

**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
MAY 2020**

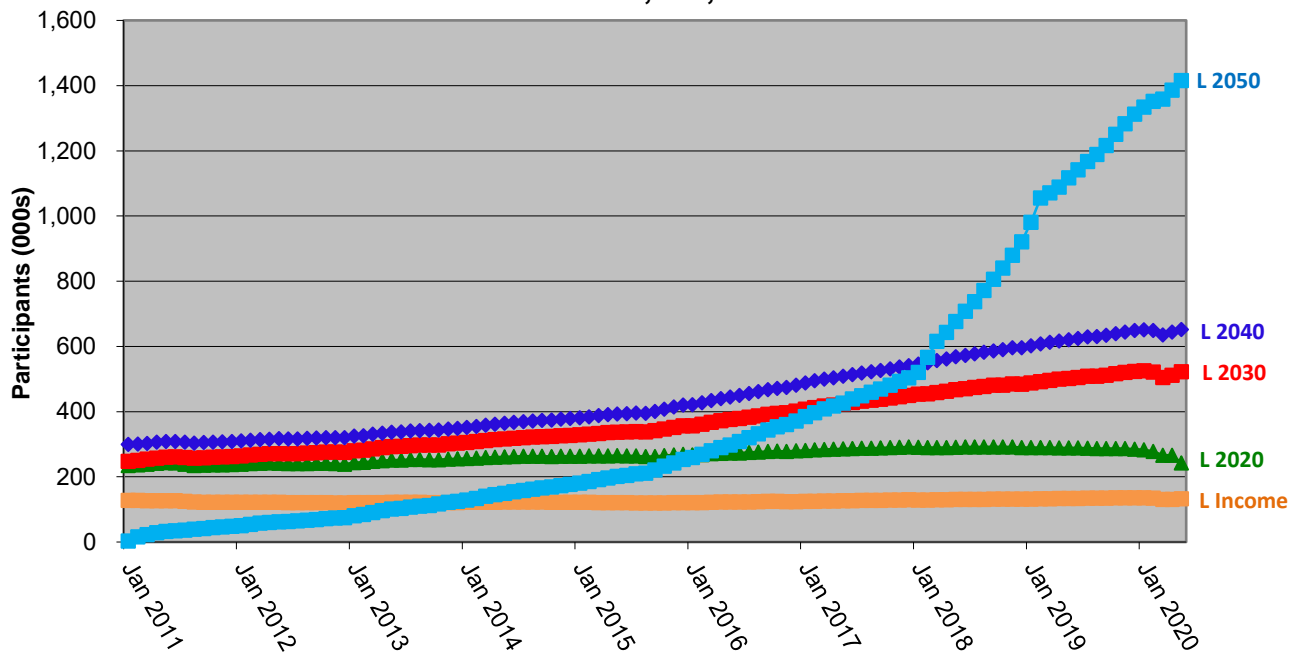
Attachment 1

Interfund Transfers May 2020

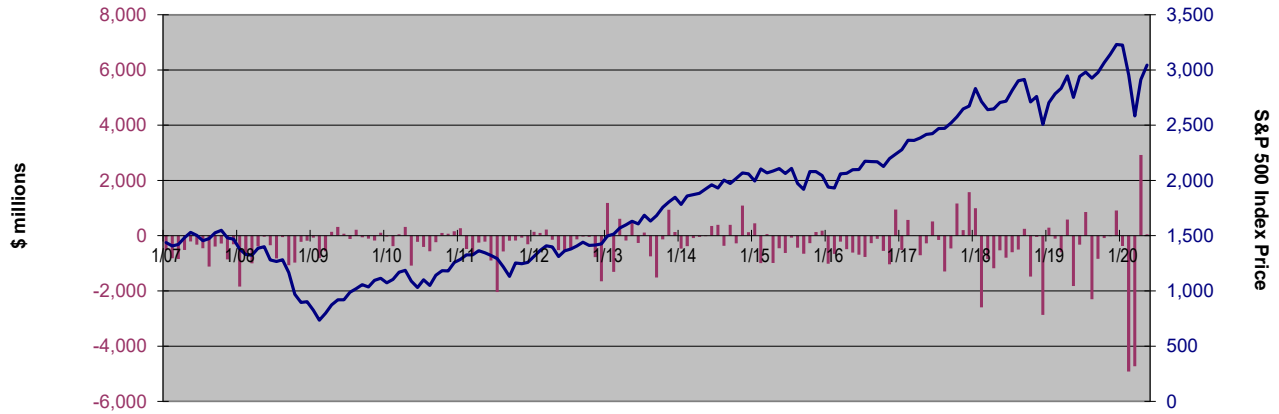


*Components may not sum to 0 because of rounding.

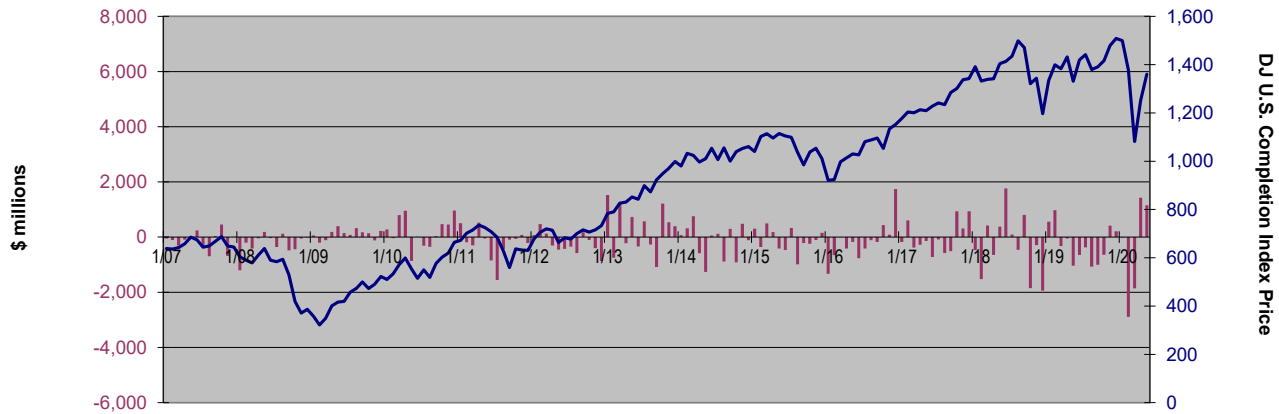
**Number of L Fund Participants
Total = 2,602,478**



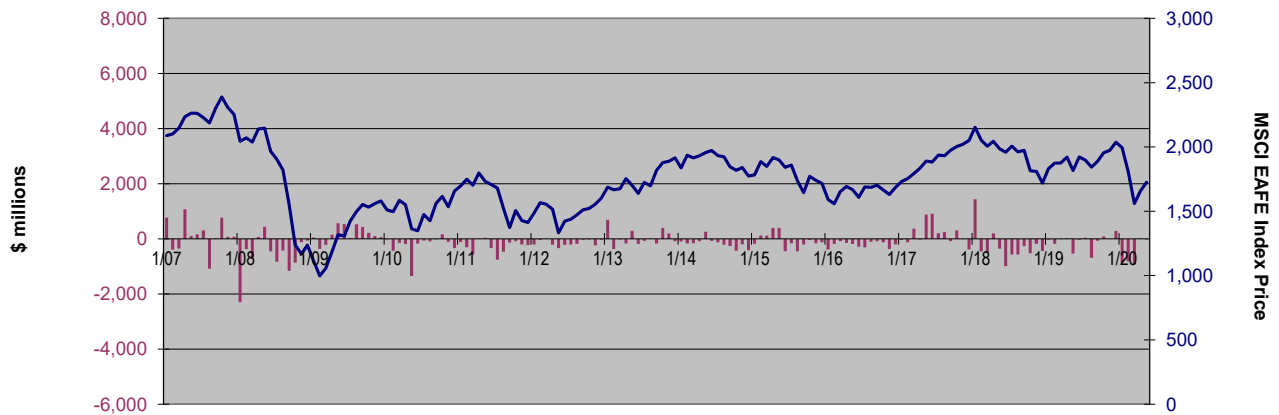
Monthly Interfund Transfers
C Fund



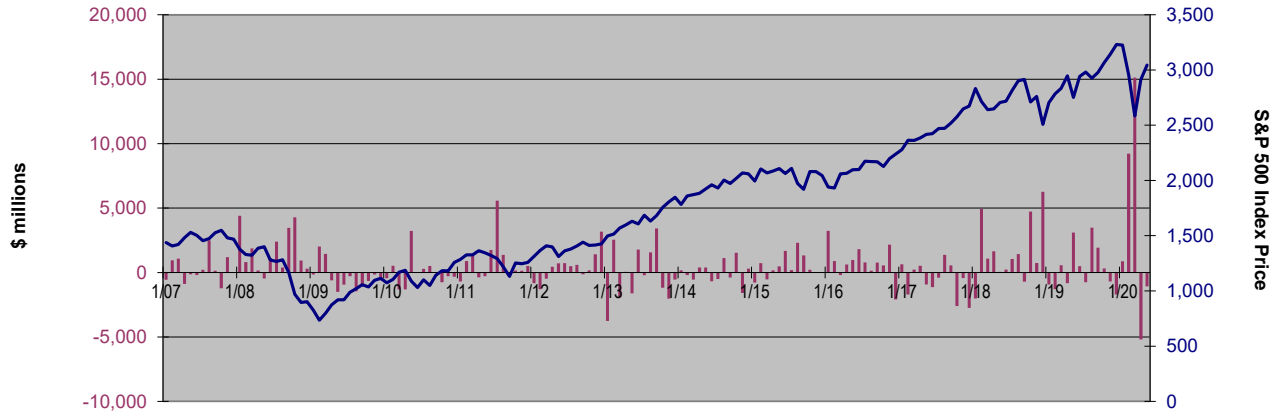
Monthly Interfund Transfers
S Fund



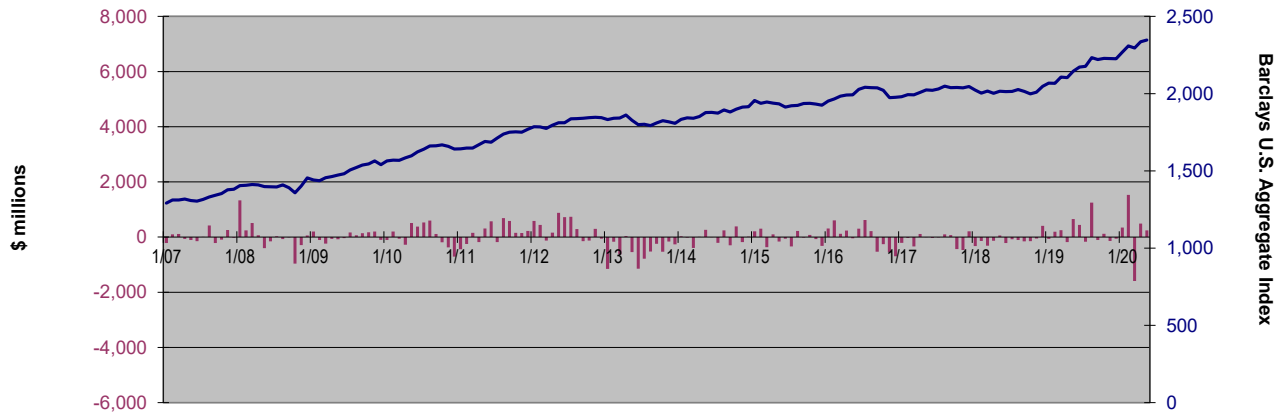
Monthly Interfund Transfers
I Fund



Monthly Interfund Transfers
G Fund



Monthly Interfund Transfers
F Fund



Monthly Interfund Transfers
L Funds

