



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

March 13, 2020

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: SEAN MCCAFFREY
CHIEF INVESTMENT OFFICER

SUBJECT: February 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)

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	1.82	1.82	1.80	0.02	0.00
Large Cap	-8.23	-8.24	-8.23	0.00	-0.01
Small Mid Cap	-8.01	-8.01	-7.96	-0.05	0.00
International	-7.74	-7.74	-9.04	1.30	0.00

2020 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	3.78	3.77	3.76	0.02	-0.01
Large Cap	-8.27	-8.28	-8.27	0.00	-0.01
Small Mid Cap	-8.57	-8.58	-8.47	-0.10	-0.01
International	-10.25	-10.25	-10.94	0.69	0.00

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 5 basis points, primarily due to securities sampling. BlackRock's performance for the I Fund was ahead of the International Index by 130 basis points, primarily due to a fair value pricing event on the last day of February and the reversal of January's month end fair value pricing event. For the F and C Funds year-to-date, BlackRock's performance was in line with the Funds' respective indices. Year-to-date, BlackRock underperformed the Small Mid Cap Index by 10 basis points, primarily due to securities sampling and futures mistracking. Its performance for the I Fund exceeded that of the International Index by 69 basis points, primarily due to a fair value pricing event on the last trading day of February.

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

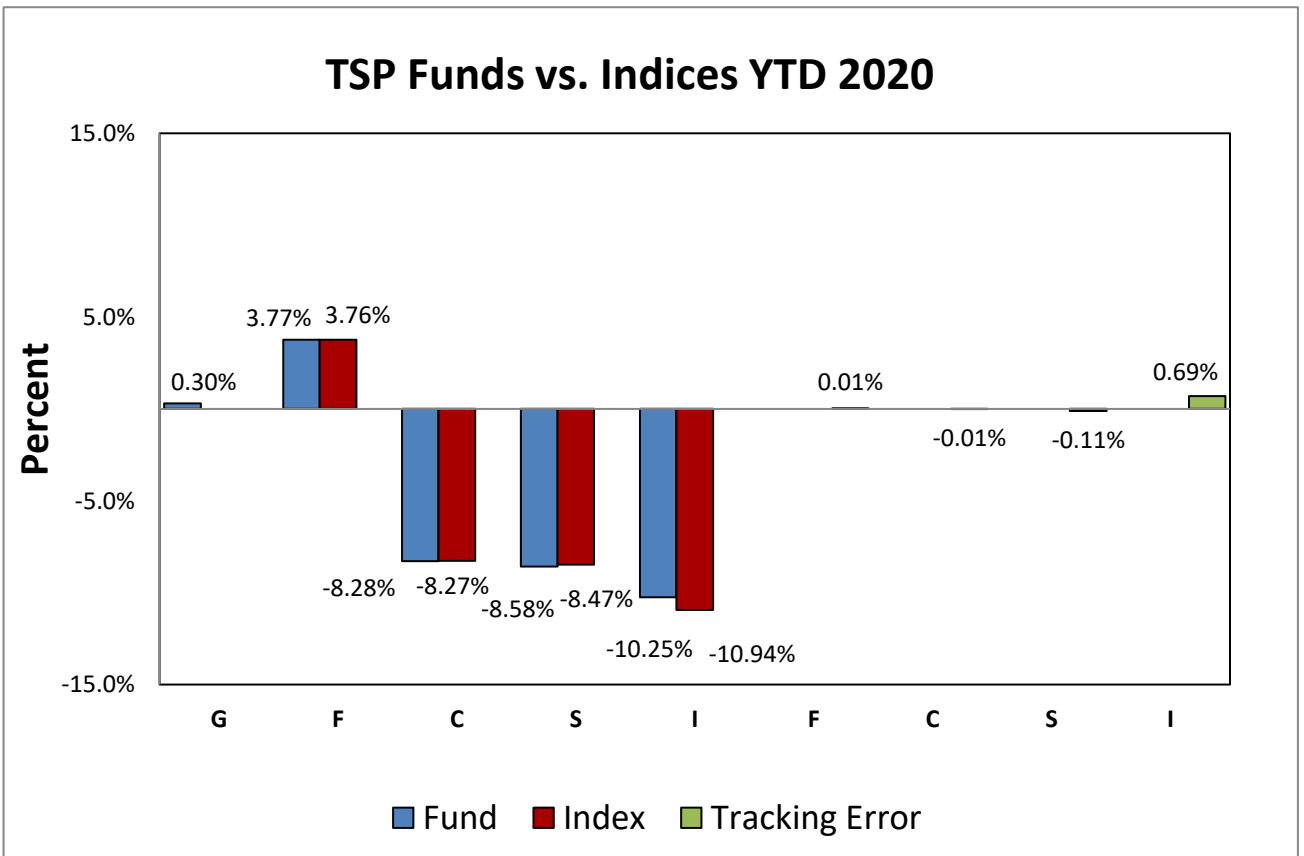
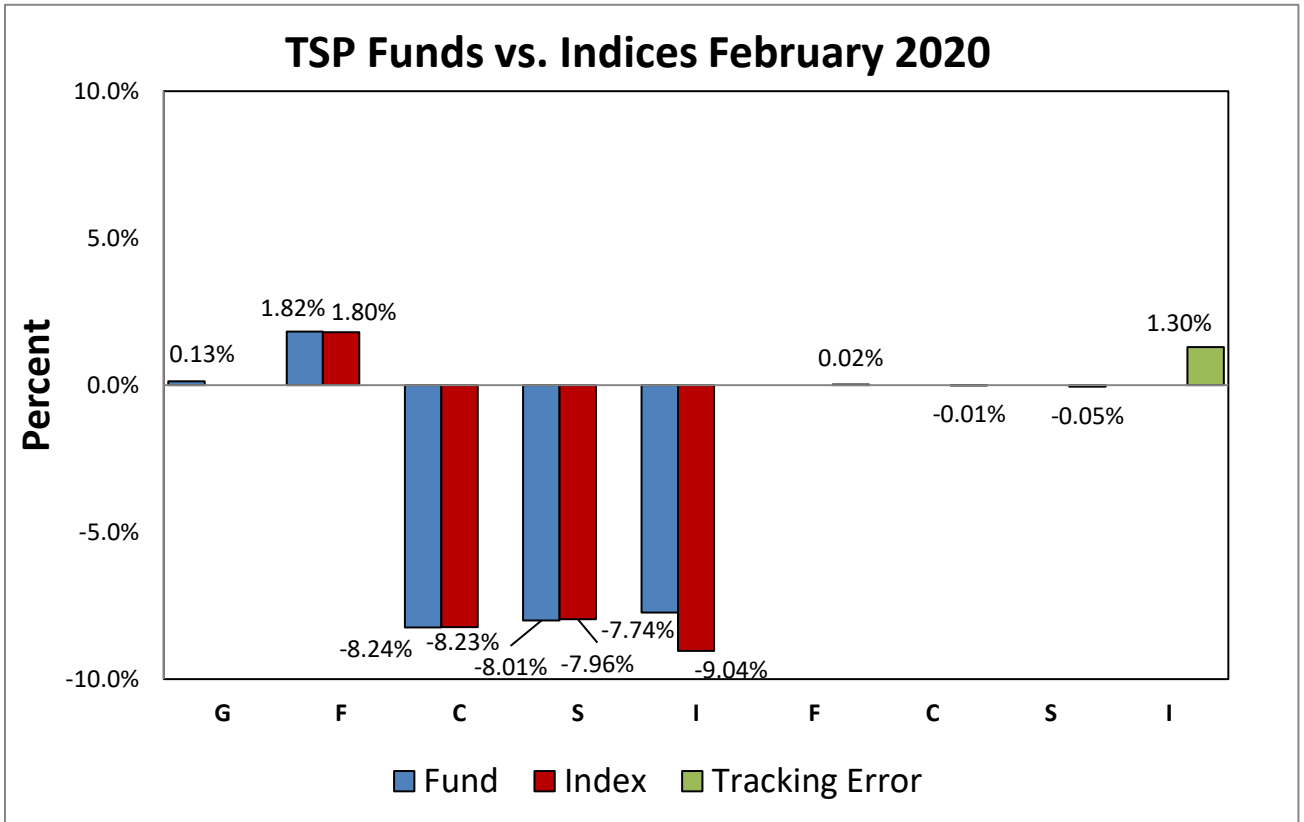
Trading Costs

<u>Trading Costs</u>			
<u>F Fund</u>	<u>Dollar Amount</u> <u>Traded</u>	<u>Dollars</u>	<u>Basis</u> <u>Points</u>
February	2,079,915,053	213,104	1.0
Year-to-Date	4,335,381,935	398,157	0.9
 <u>C Fund</u>			
February	6,788,464,148	(368,848)	-0.5
Year-to-Date	11,545,999,423	(1,763,811)	-1.5
 <u>S Fund</u>			
February	3,592,504,326	(734,770)	-2.0
Year-to-Date	6,465,083,938	(1,699,591)	-2.6
 <u>I Fund</u>			
February	2,444,759,233	(836,800)	-3.4
Year-to-Date	5,106,516,633	(2,559,126)	-5.0

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

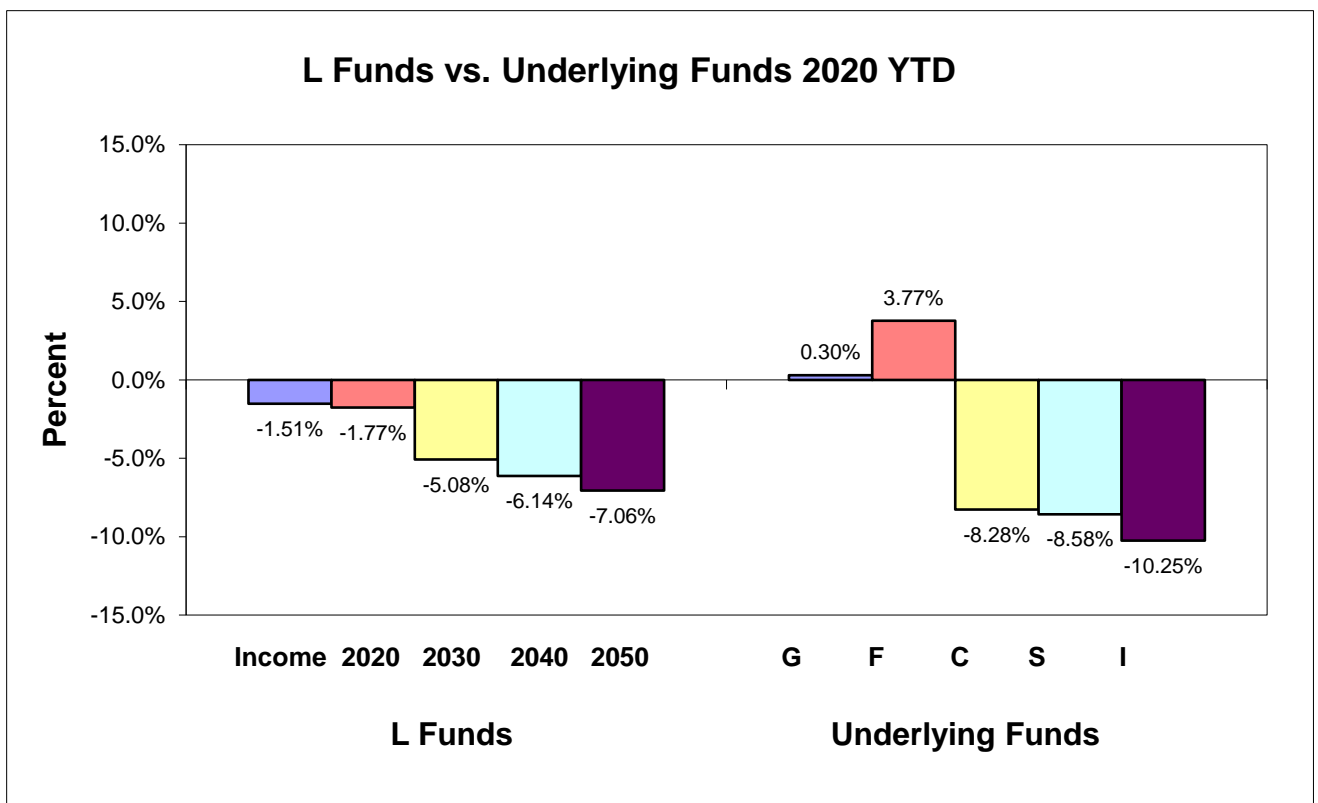
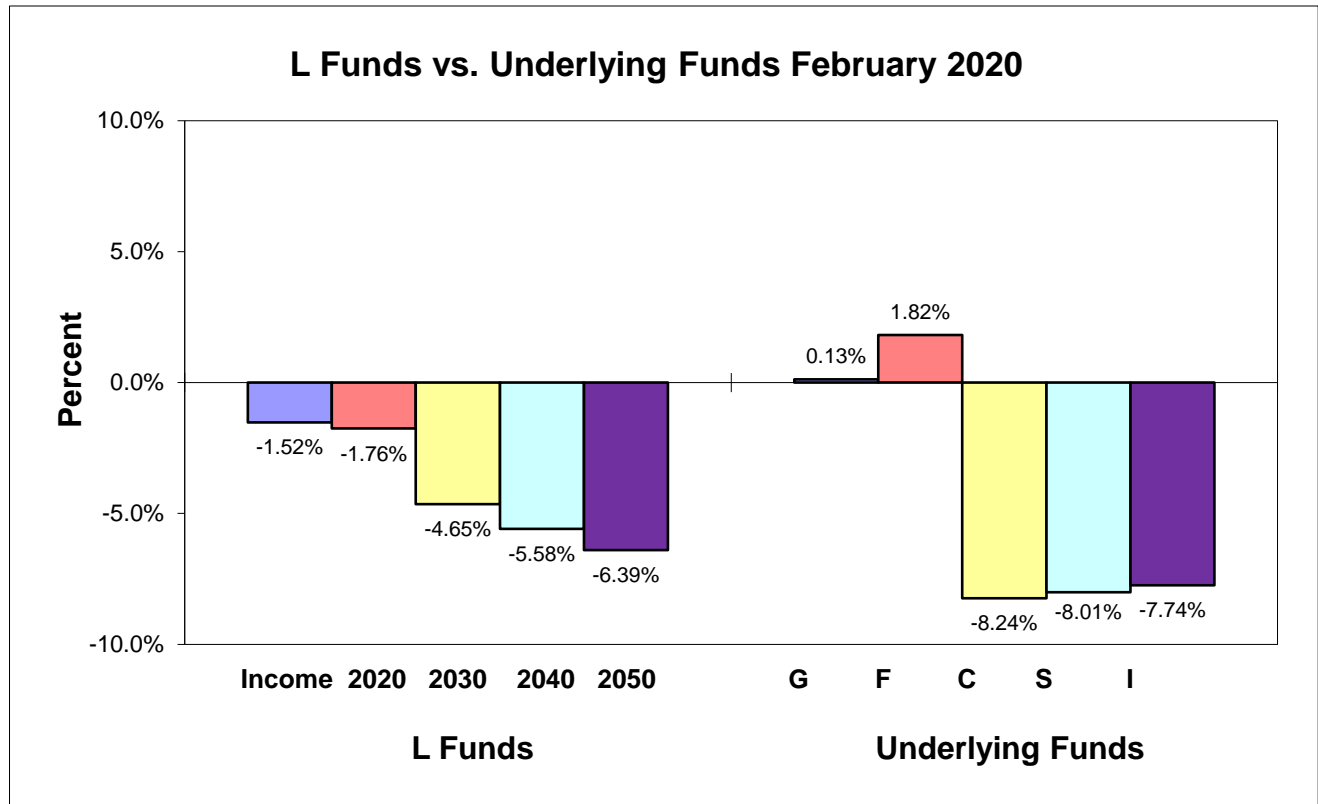
Performance of TSP Funds Total Returns

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



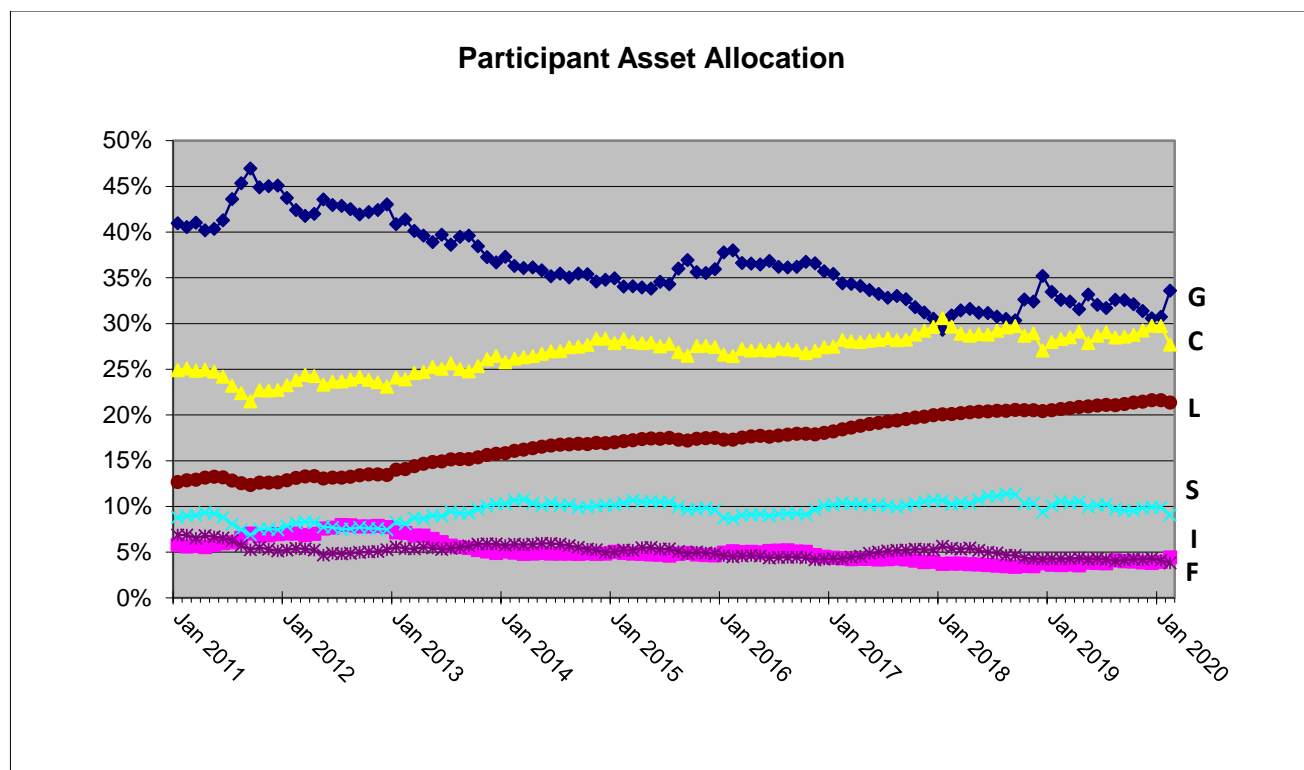
L Funds

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
FEBRUARY 2020**

Attachment 1



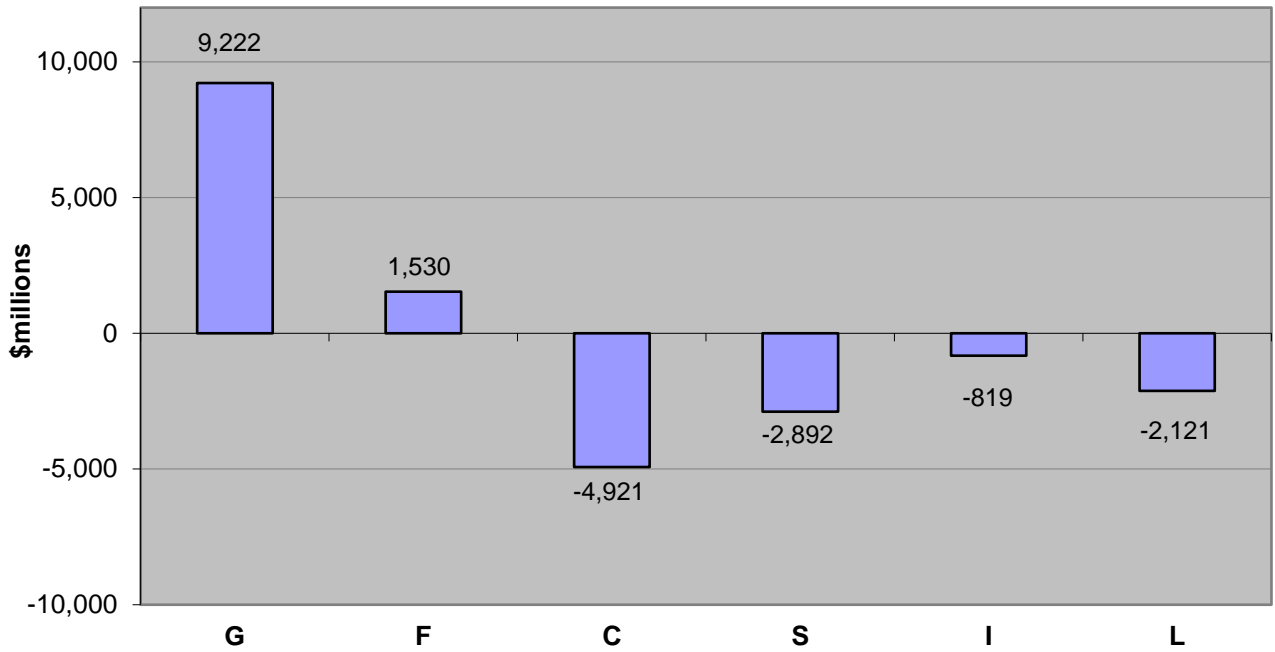
TSP Assets -- Participant Allocation (February 29, 2020)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$200.7	33.4%
F Fund	\$26.8	4.5%
C Fund	\$167.2	27.8%
S Fund	\$54.8	9.1%
I Fund	\$23.1	3.8%
L Funds	<u>\$129.0</u>	<u>21.4%</u>
Total	\$601.4	100%

TSP Assets -- By Core Funds (February 29, 2020)		
<u>Fund</u>	<u>Assets (Billion USD)</u>	<u>Percent</u>
G Fund	\$248.5	41.3%
F Fund	\$35.9	6.0%
C Fund	\$203.4	33.8%
S Fund	\$65.3	10.9%
I Fund	<u>\$48.3</u>	<u>8.0%</u>
Total	\$601.4	100%

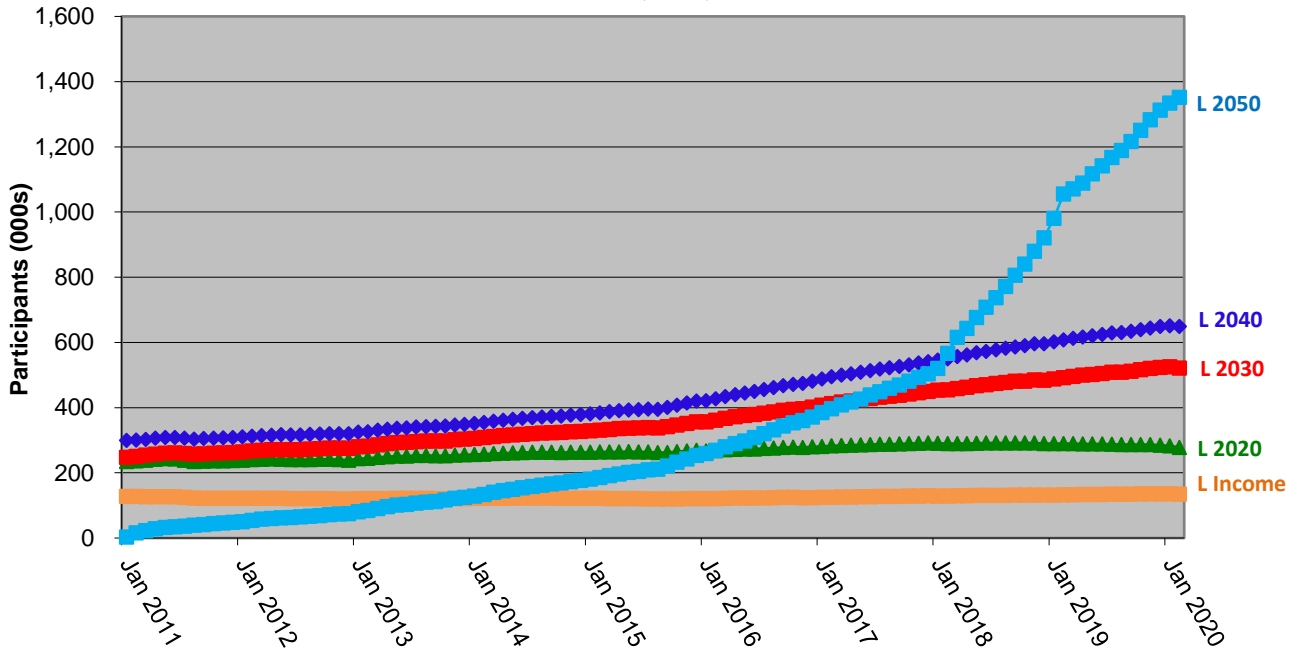
Components may not sum to totals because of rounding.

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

Interfund Transfers February 2020

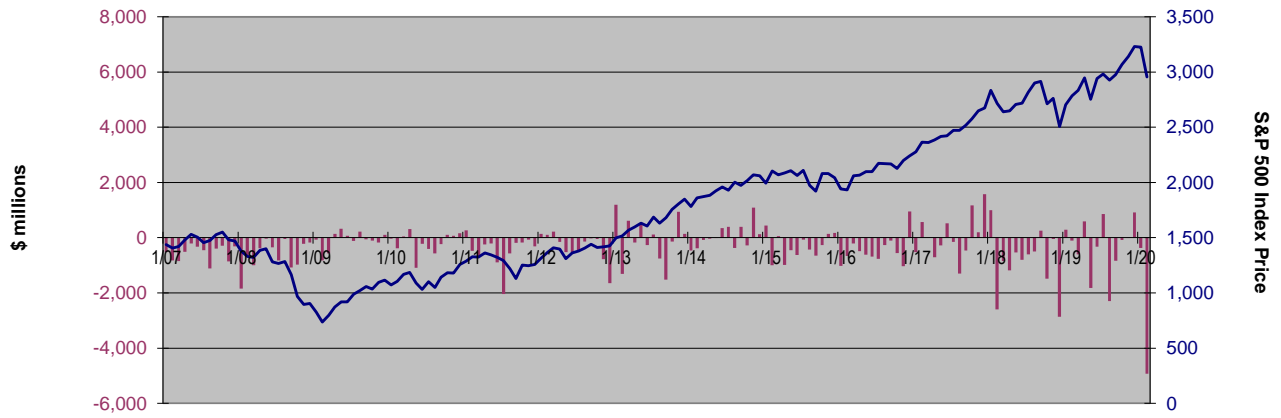


**Number of L Fund Participants
Total = 2,548,745**

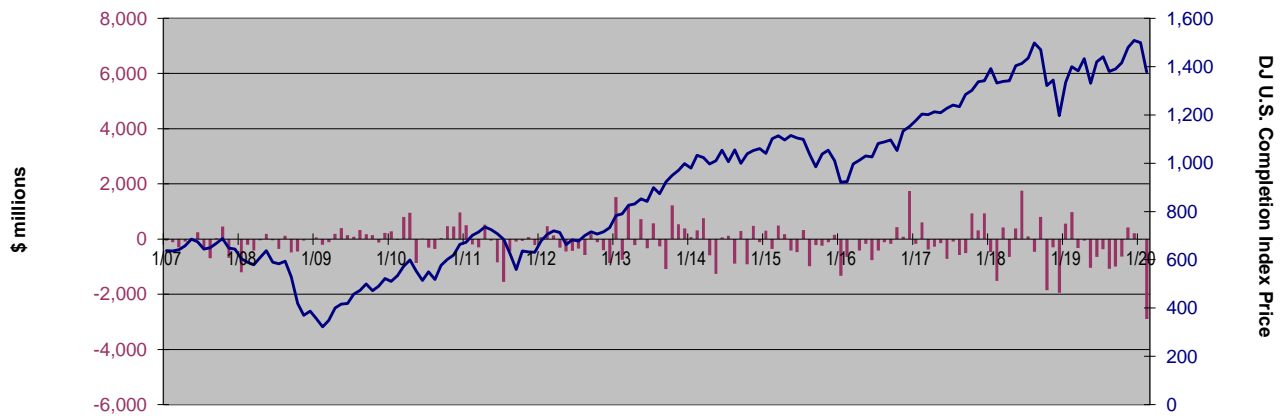


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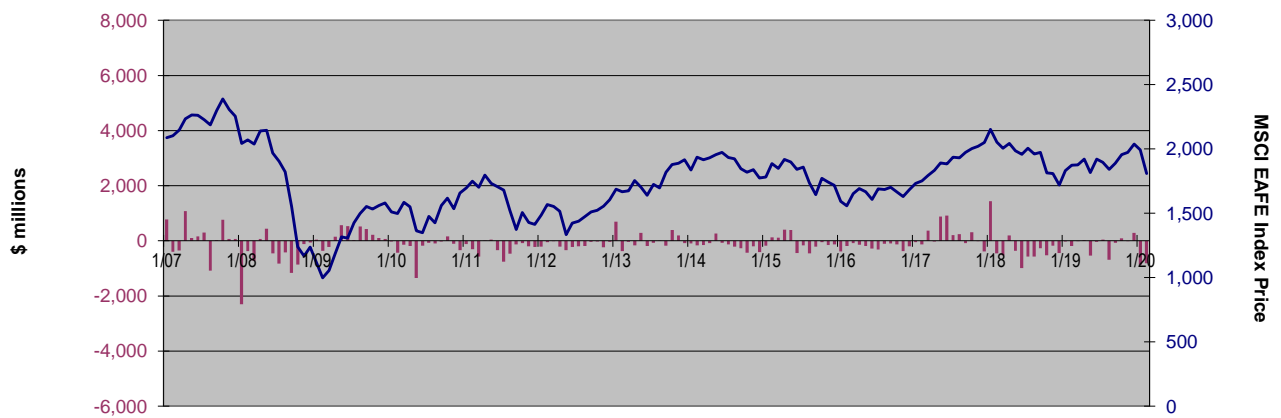
**Monthly Interfund Transfers
C Fund**



**Monthly Interfund Transfers
S Fund**

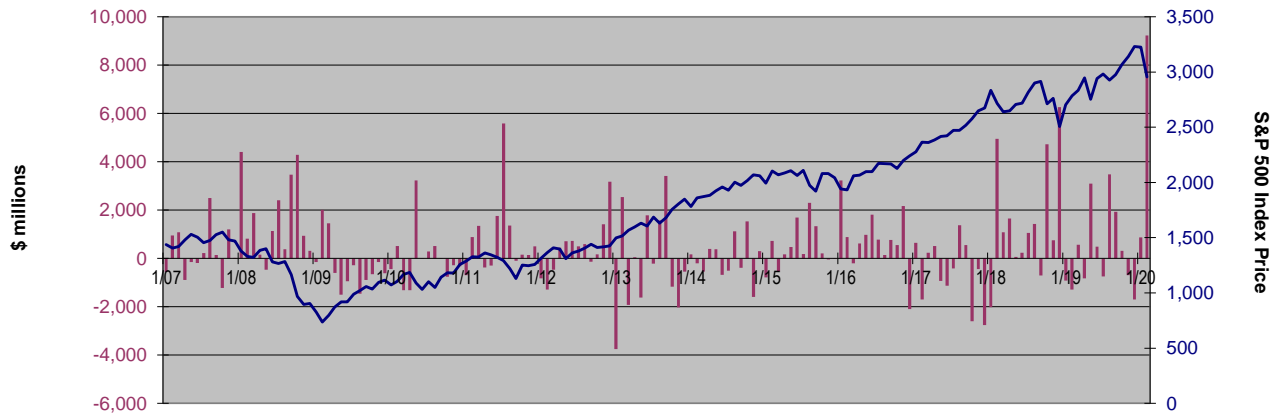


**Monthly Interfund Transfers
I Fund**

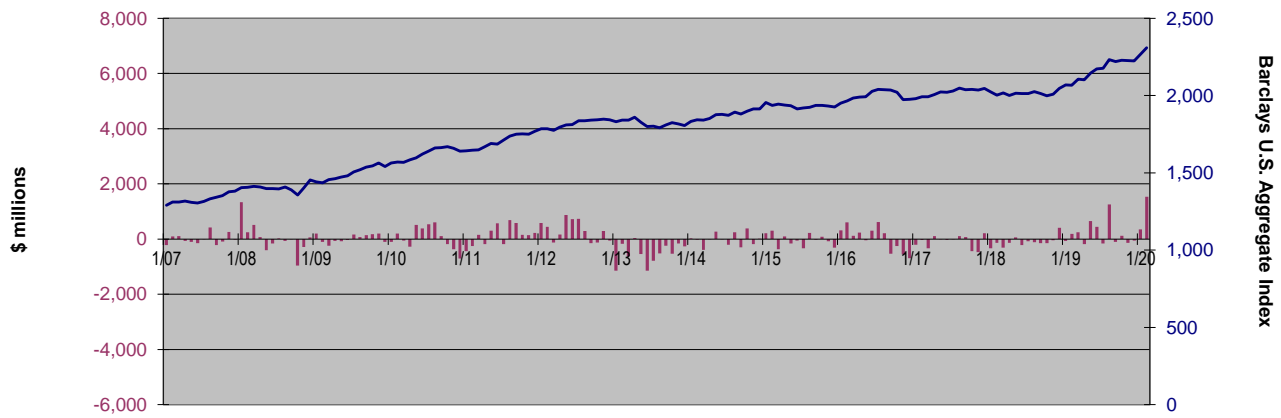


**THRIFT SAVINGS PLAN MONTHLY INVESTMENT ACTIVITY
FEBRUARY 2020**

**Monthly Interfund Transfers
G Fund**



**Monthly Interfund Transfers
F Fund**



**Monthly Interfund Transfers
L Funds**

