



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

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: Sean McCaffrey, Chief Investment Officer 

DATE: March 16, 2021

SUBJECT: February 2021 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 ERRORS

The tables below contain the monthly and year-to-date (YTD) returns and tracking errors for the F, C, S, and I Funds and for the separate accounts managed by BlackRock. Due to rounding, the tracking errors may not match the differences in returns.

February 2021 Returns and Tracking Errors

		<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	-1.44	2.76	5.19	2.24
	BlackRock	-1.45	2.76	5.22	2.27
	TSP Fund (Net)	-1.45	2.76	5.21	2.26
Tracking Error vs Index (%)	BlackRock	0.00	0.00	0.02	0.02
	TSP Fund	-0.01	0.00	0.02	0.02

BlackRock's performance for the F, C, S, and I Funds was in line with the Funds' respective indices for the month.

The TSP Funds closely tracked the BlackRock accounts for the month.

2021 YTD Returns and Tracking Errors

		<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	-2.15	1.72	8.18	1.15
	BlackRock	-2.14	1.73	8.22	1.16
	TSP Fund (Net)	-2.15	1.72	8.21	1.15
Tracking Error vs Index (%)	BlackRock	0.01	0.01	0.04	0.00
	TSP Fund	0.00	0.00	0.03	0.00

BlackRock's year-to-date performance for the F, C, and I Funds was in line with the Funds' respective indices. Its performance for the S Fund exceeded the Small Mid Cap Index by 4 basis points, primarily resulting from securities lending and futures mistracking.

Year-to-date, the F, C, S, and I Funds closely tracked the BlackRock accounts.

TSP Net Returns as of February 28, 2021

	1-Year	3-Year	5-Year	10-Year
G Fund	0.82%	1.95%	2.01%	2.01%

	1-Year	3-Year	5-Year	10-Year
F Fund	1.37%	5.35%	3.66%	3.80%
Bloomberg Barclays US Agg Bond Index	1.38%	5.32%	3.55%	3.58%
Tracking Error	-0.01%	0.03%	0.11%	0.22%

	1-Year	3-Year	5-Year	10-Year
C Fund	31.20%	14.09%	16.80%	13.45%
S&P 500 Index	31.29%	14.14%	16.82%	13.43%
Tracking Error	-0.09%	-0.05%	-0.02%	0.02%

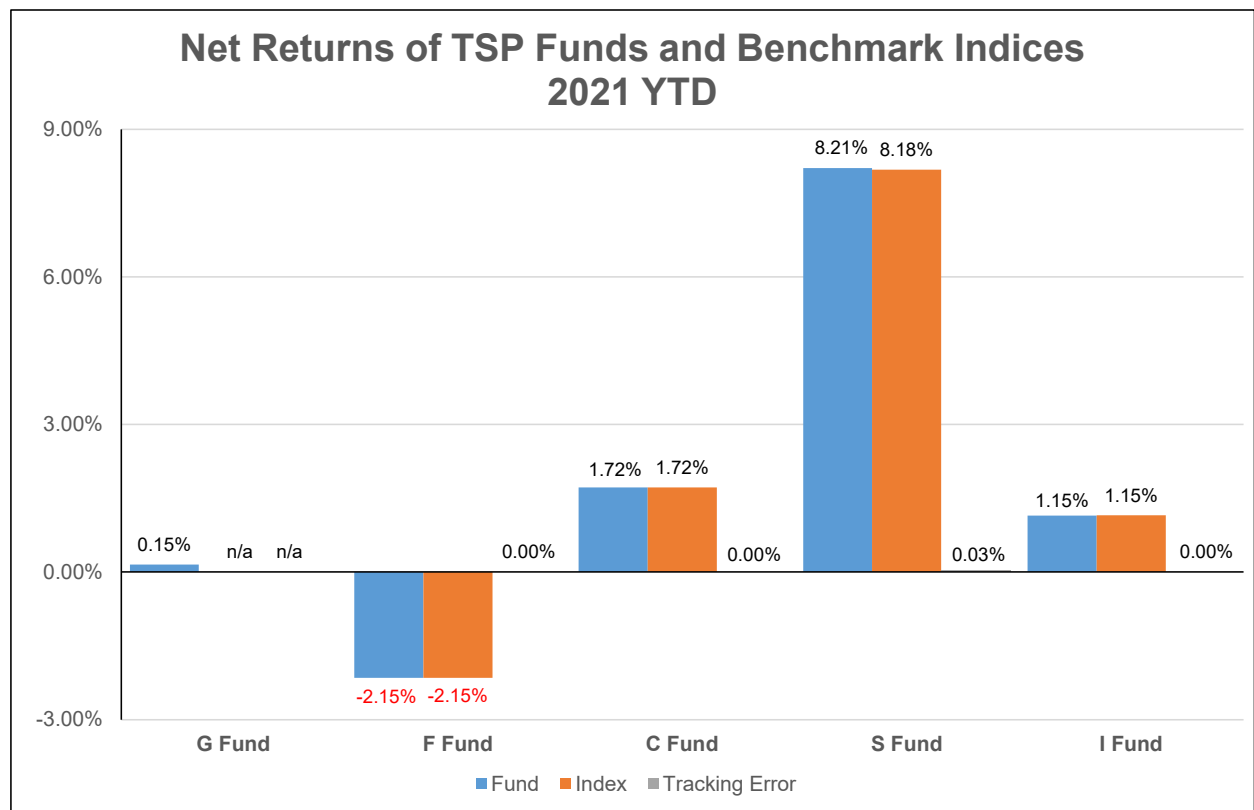
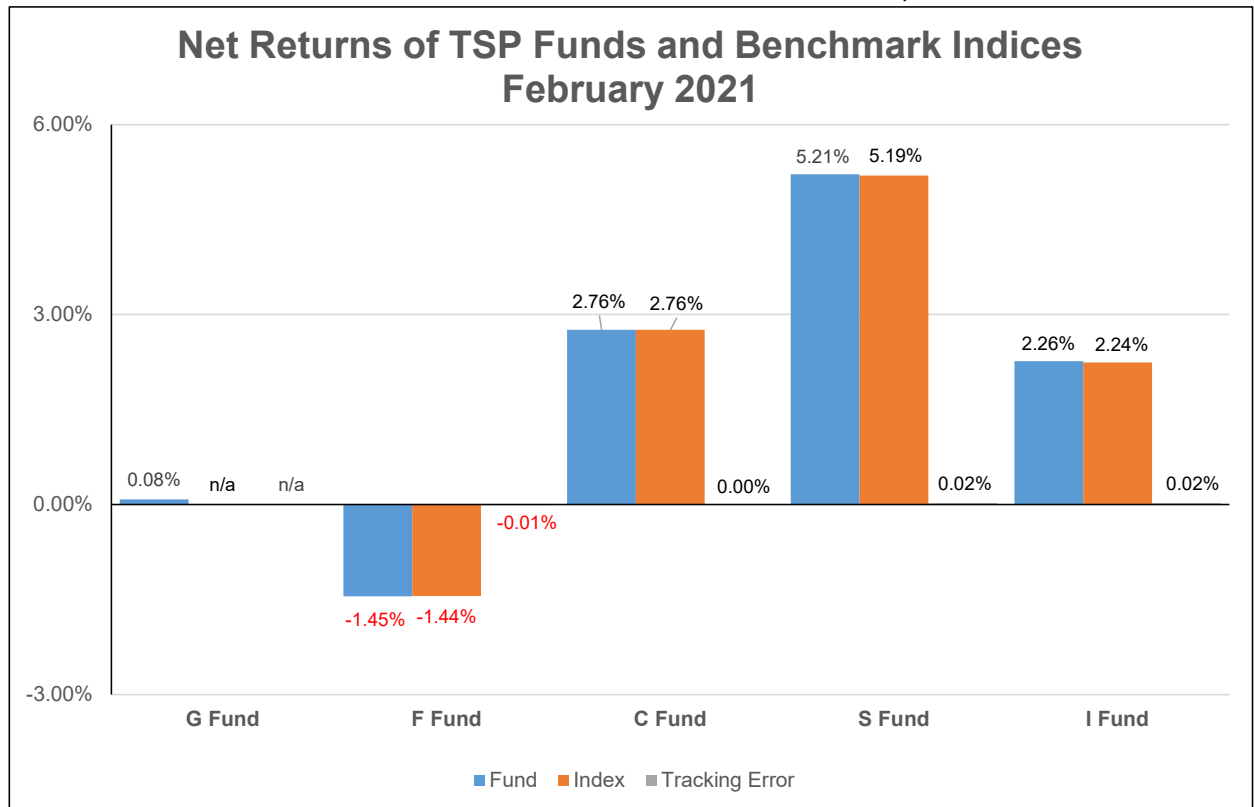
	1-Year	3-Year	5-Year	10-Year
S Fund	56.07%	18.56%	19.96%	13.58%
Dow Jones US Completion TSM Index	56.21%	18.49%	19.82%	13.28%
Tracking Error	-0.14%	0.07%	0.14%	0.30%

	1-Year	3-Year	5-Year	10-Year
I Fund	21.91%	5.19%	10.13%	5.39%
MSCI EAFE Index	22.46%	4.59%	9.73%	5.04%
Tracking Error	-0.55%	0.60%	0.40%	0.35%

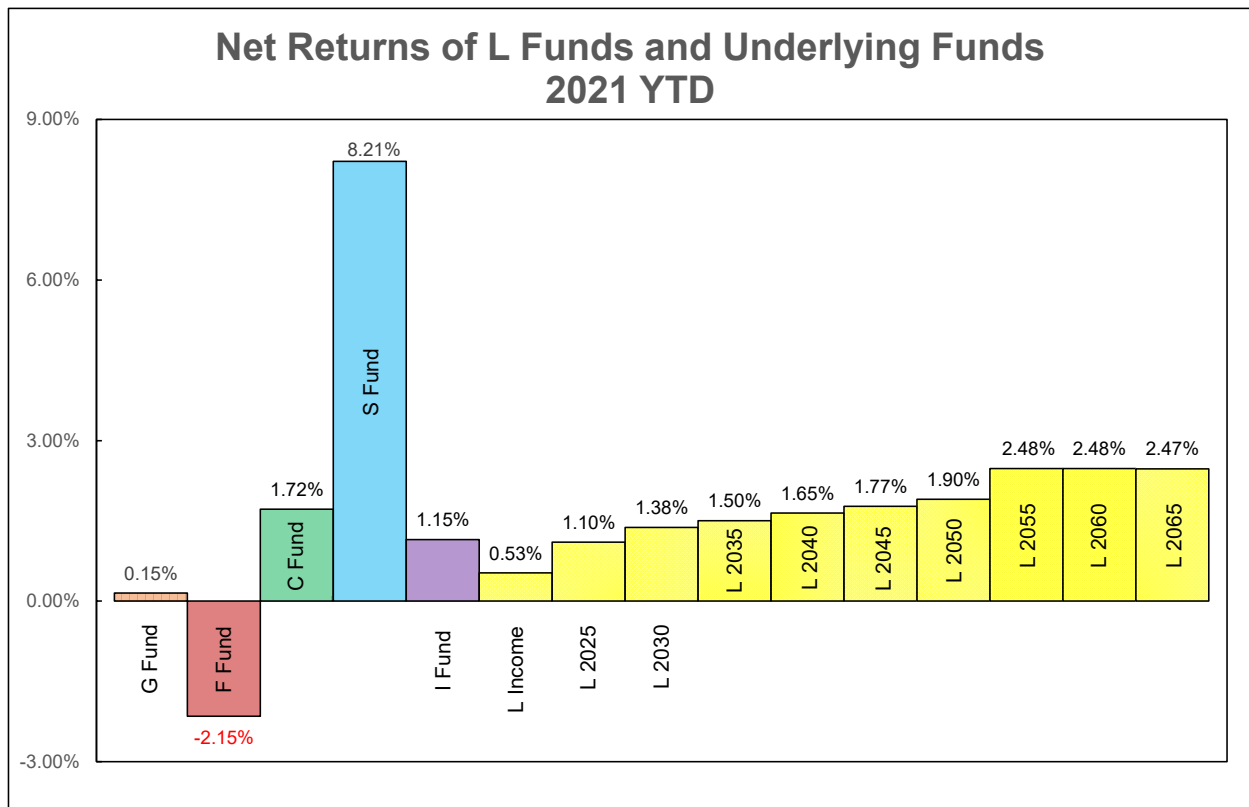
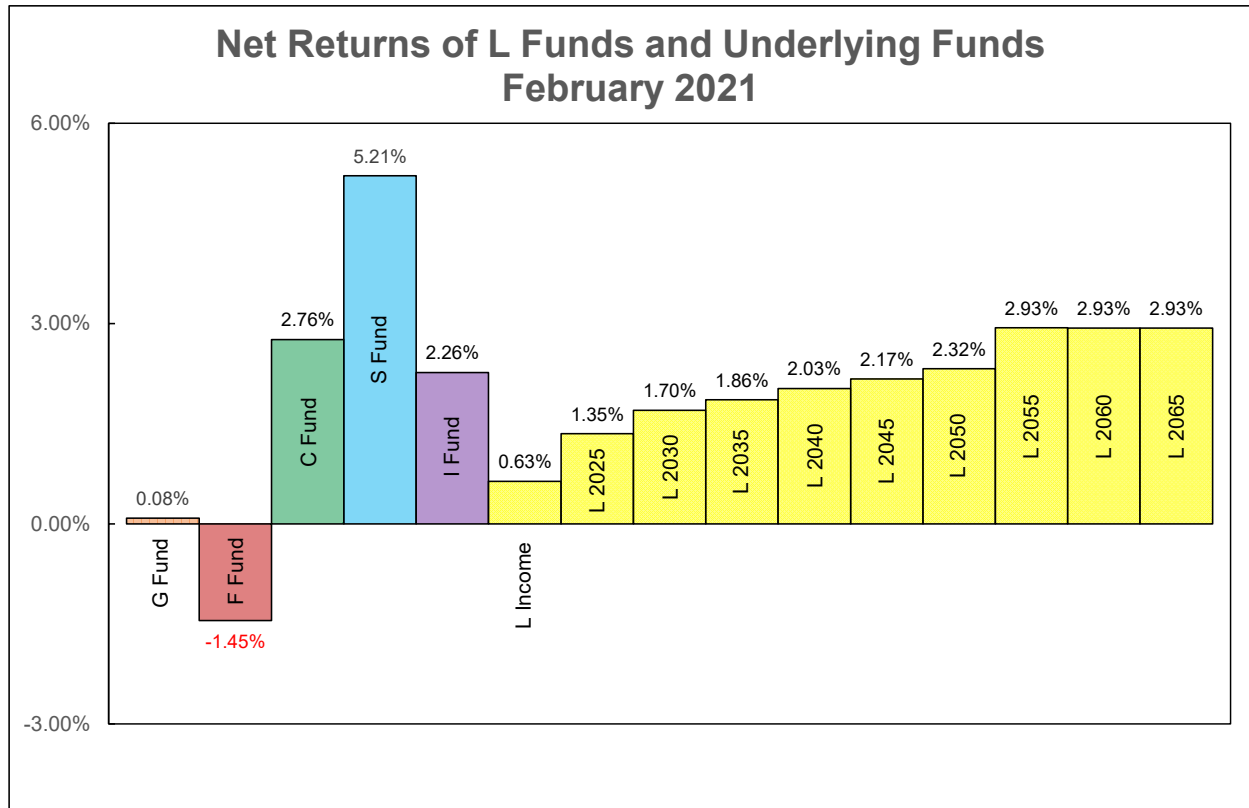
	1-Year	3-Year	5-Year	10-Year
L Income Fund	7.33%	4.50%	4.92%	4.16%
L 2025 Fund	N/A	N/A	N/A	N/A
L 2030 Fund	18.82%	8.34%	10.31%	8.05%
L 2035 Fund	N/A	N/A	N/A	N/A
L 2040 Fund	22.55%	9.50%	11.79%	9.01%
L 2045 Fund	N/A	N/A	N/A	N/A
L 2050 Fund	25.86%	10.46%	13.11%	9.80%
L 2055 Fund	N/A	N/A	N/A	N/A
L 2060 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				

Performance of TSP Funds

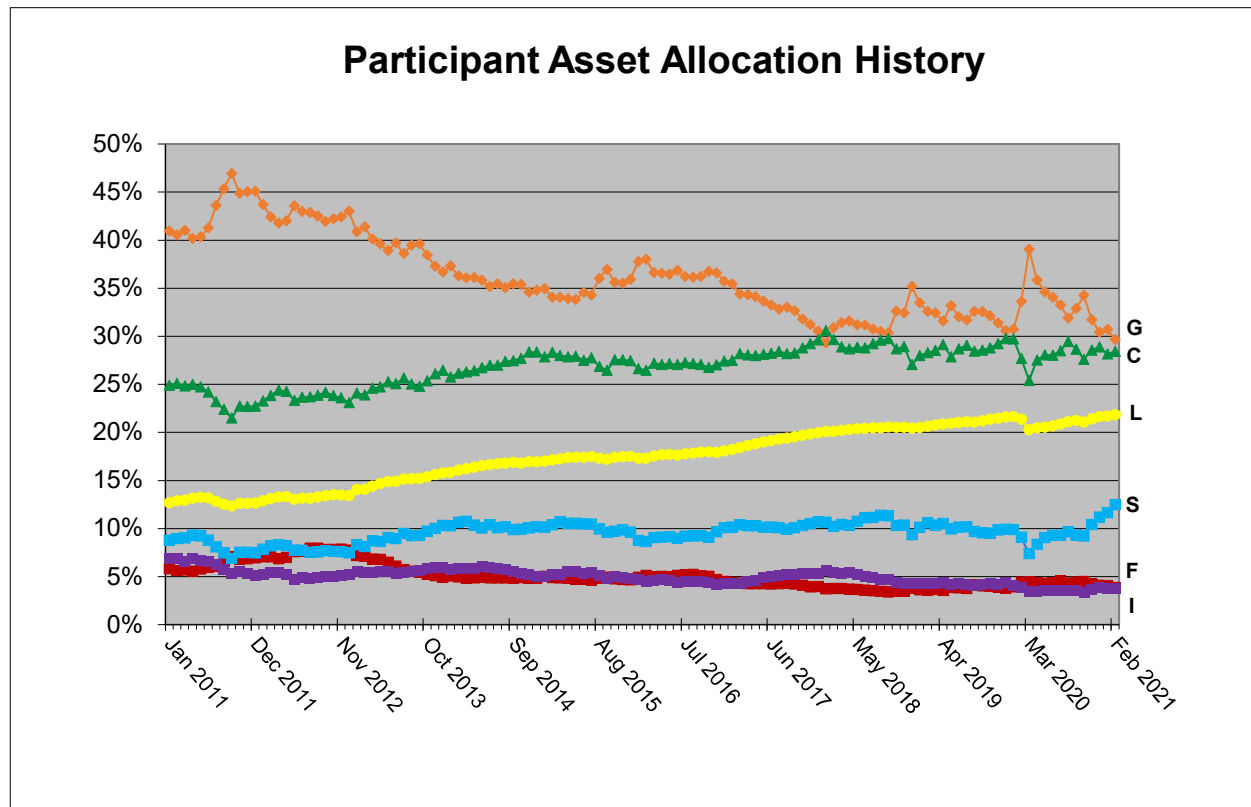
The charts below show the G, F, C, S, and I Fund net rates of return vs. their respective benchmark indices.



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

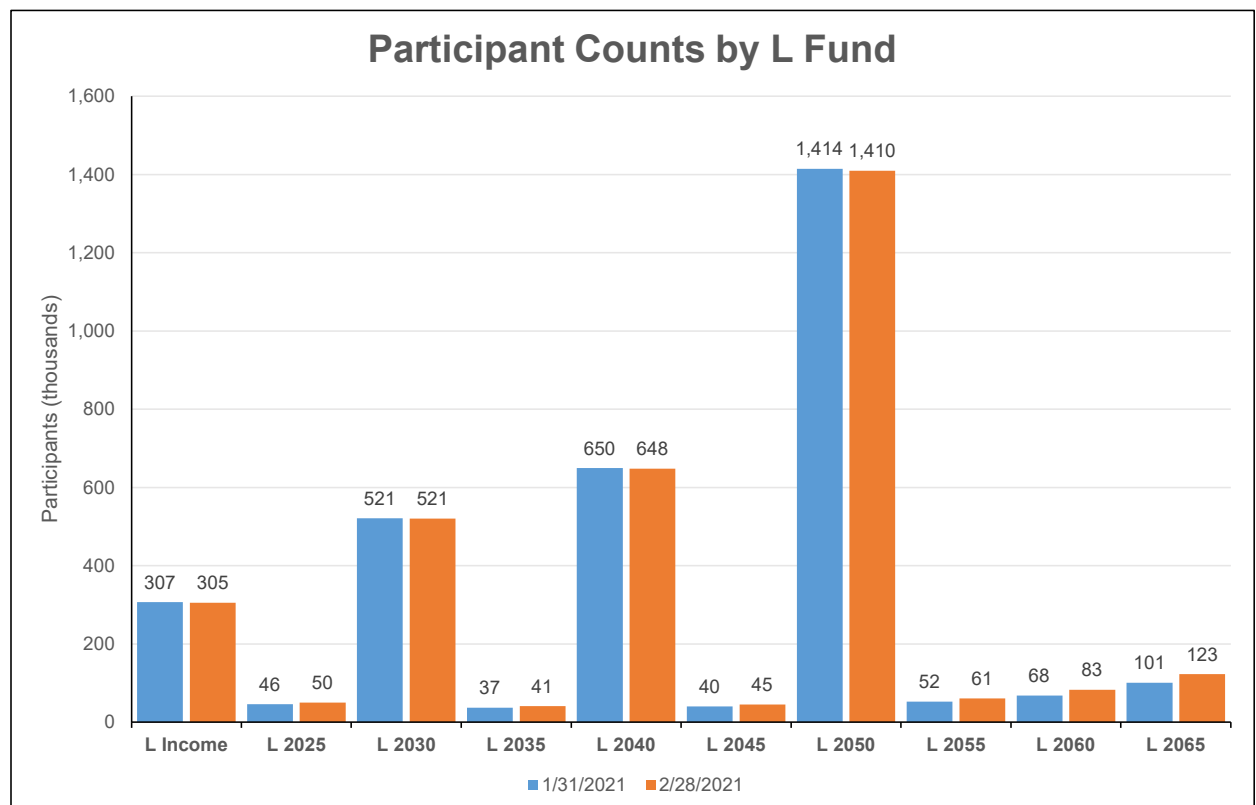
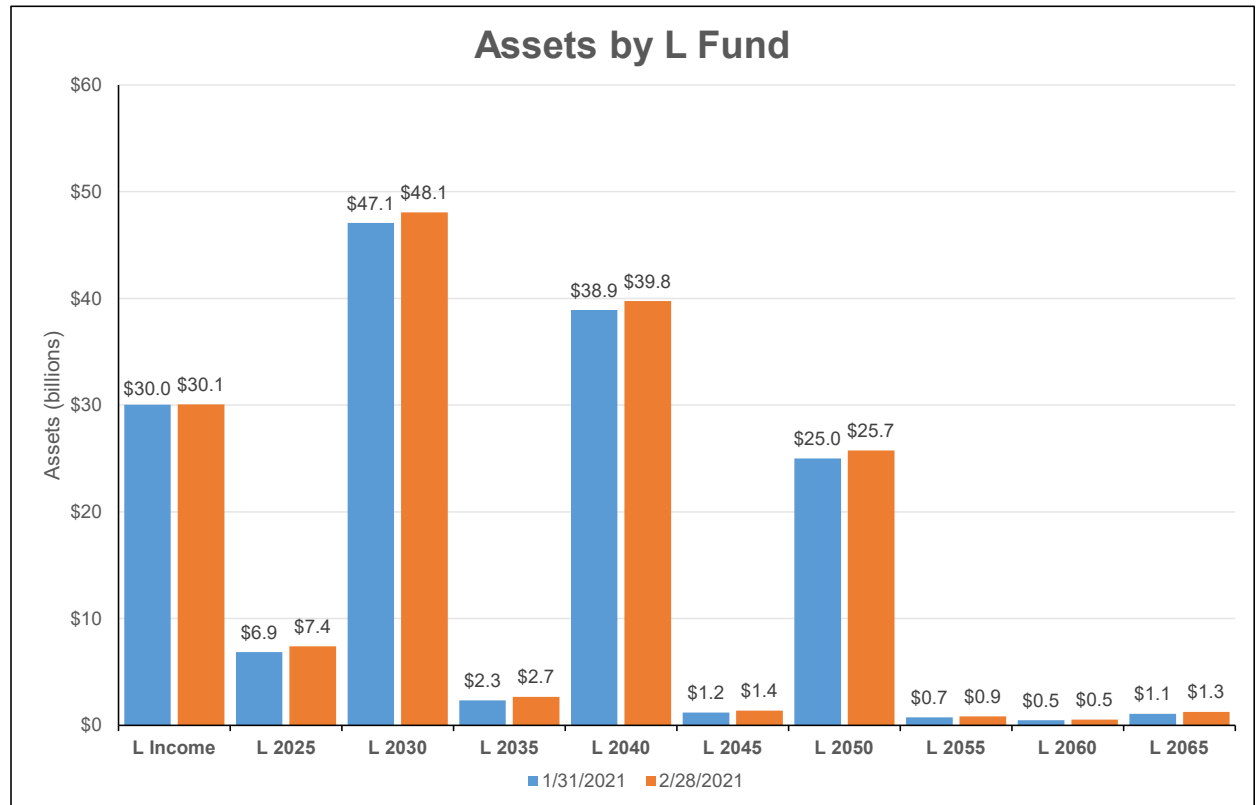


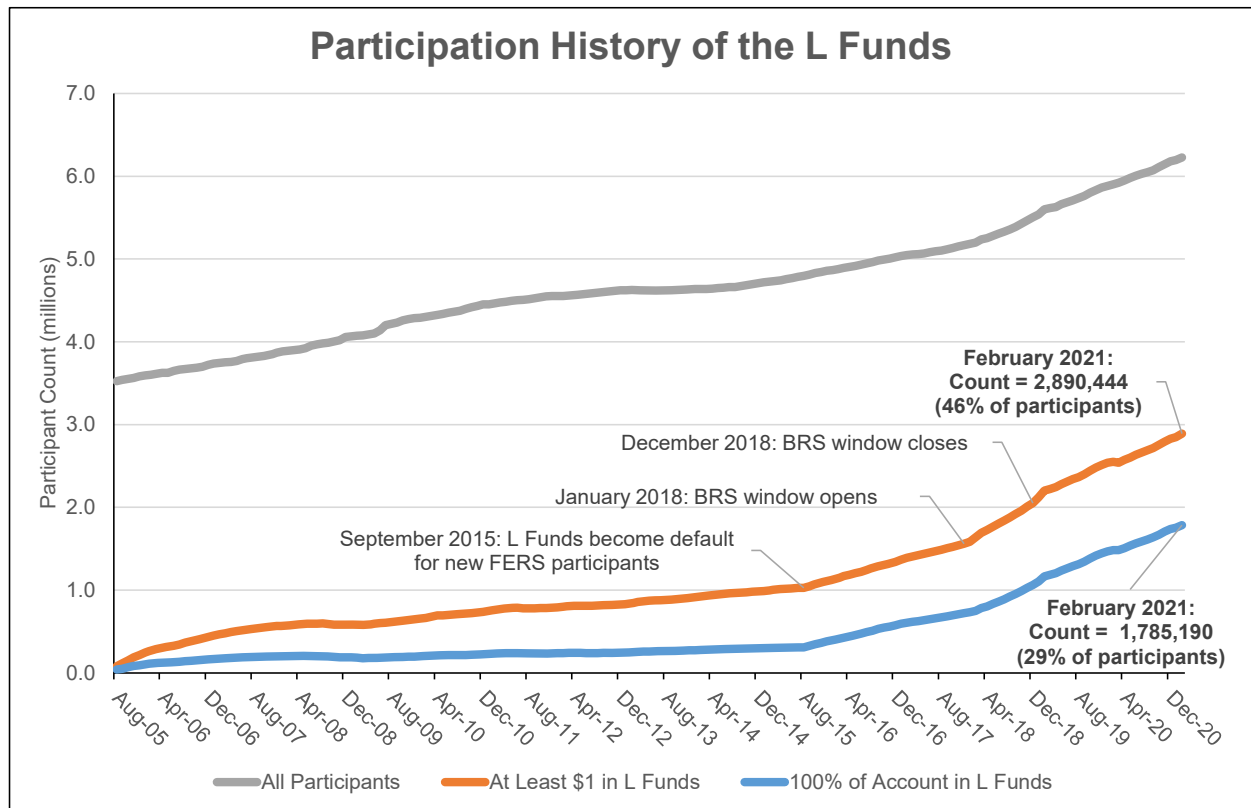
Asset Allocation as of February 28, 2021

	<u>Participant Allocation</u>		<u>Core TSP Funds</u>	
	<u>Assets</u> (Billions)	<u>Share of</u> Total	<u>Assets</u> (Billions)	<u>Share of</u> Total
G Fund	\$215.4	29.8%	\$268.1	37.1%
F Fund	\$27.9	3.9%	\$39.0	5.4%
C Fund	\$205.3	28.4%	\$253.0	35.0%
S Fund	\$90.1	12.5%	\$103.8	14.3%
I Fund	\$27.1	3.7%	\$59.7	8.2%
<u>L Funds</u>	<u>\$157.7</u>	<u>21.8%</u>	<u>n/a</u>	<u>n/a</u>
Total	\$723.5	100%	\$723.5	100%

*Components may not sum to totals because of rounding.

Lifecycle (L) Funds





Interfund Transfer Activity

