



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

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: Sean McCaffrey, Chief Investment Officer *SM*

DATE: May 14, 2021

SUBJECT: April 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.

April 2021 Returns and Tracking Errors

		<u>Fixed Income</u> <u>(F Fund)</u>	<u>Large Cap</u> <u>(C Fund)</u>	<u>Small Mid Cap</u> <u>(S Fund)</u>	<u>International</u> <u>(I Fund)</u>
Return (%)	Index	0.79	5.34	4.22	3.01
	BlackRock	0.83	5.34	4.23	3.10
	TSP Fund (Net)	0.82	5.33	4.23	3.09
Tracking Error vs Index (%)	BlackRock	0.04	0.00	0.01	0.09
	TSP Fund	0.03	0.00	0.00	0.08

BlackRock's performance for the C and S Funds was in line with the Funds' respective indices for the month. Its performance for the F Fund was ahead of the Fixed Income Index by 4 basis points, primarily resulting from securities lending. BlackRock's performance for the I Fund exceeded that of the International Index by 9 basis points, primarily due to tax advantage.

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

After market close on Friday, April 16, 2021, approximately 10% of the C Fund's assets were transferred from BlackRock to State Street. Following the transfer of assets, both managers closely tracked the Large Cap Index. From market close on April 16 to market close on April 30, the Large Cap Index fell 0.07%. The C Fund assets managed by BlackRock also fell 0.07% during that span, as did the C Fund assets managed by State Street.

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	-2.61	11.84	12.30	6.59
	BlackRock	-2.54	11.85	12.36	6.74
	TSP Fund (Net)	-2.55	11.83	12.34	6.73
Tracking Error vs Index (%)	BlackRock	0.07	0.01	0.06	0.15
	TSP Fund	0.06	-0.01	0.05	0.13

BlackRock's year-to-date performance for the F Fund was ahead of the Fixed Income Index by 7 basis points, primarily due to securities lending. Its performance for the C Fund was in line with the Large Cap Index. For the S Fund year-to-date, BlackRock exceeded the Small Mid Cap Index by 6 basis points, primarily resulting from securities lending. Its performance for the I Fund was ahead of the International Index by 15 basis points, primarily due to tax advantage.

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

TSP Net Returns as of April 30, 2021

	1-Year	3-Year	5-Year	10-Year
G Fund	0.89%	1.87%	2.00%	1.98%

	1-Year	3-Year	5-Year	10-Year
F Fund	-0.17%	5.24%	3.30%	3.62%
Bloomberg Barclays US Agg Bond Index	-0.27%	5.19%	3.19%	3.39%
Tracking Error	0.10%	0.05%	0.11%	0.23%

	1-Year	3-Year	5-Year	10-Year
C Fund	45.96%	18.62%	17.39%	14.19%
S&P 500 Index	45.98%	18.67%	17.42%	14.17%
Tracking Error	-0.02%	-0.05%	-0.03%	0.02%

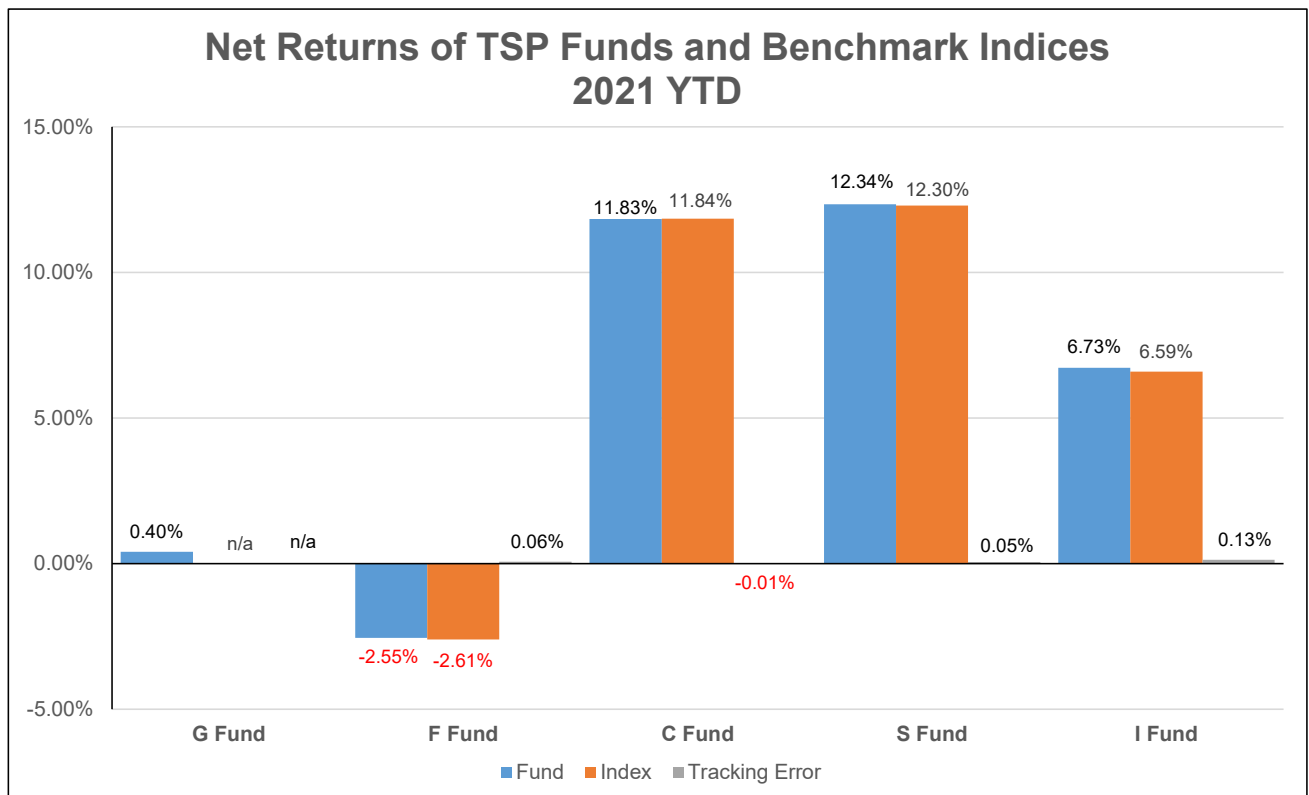
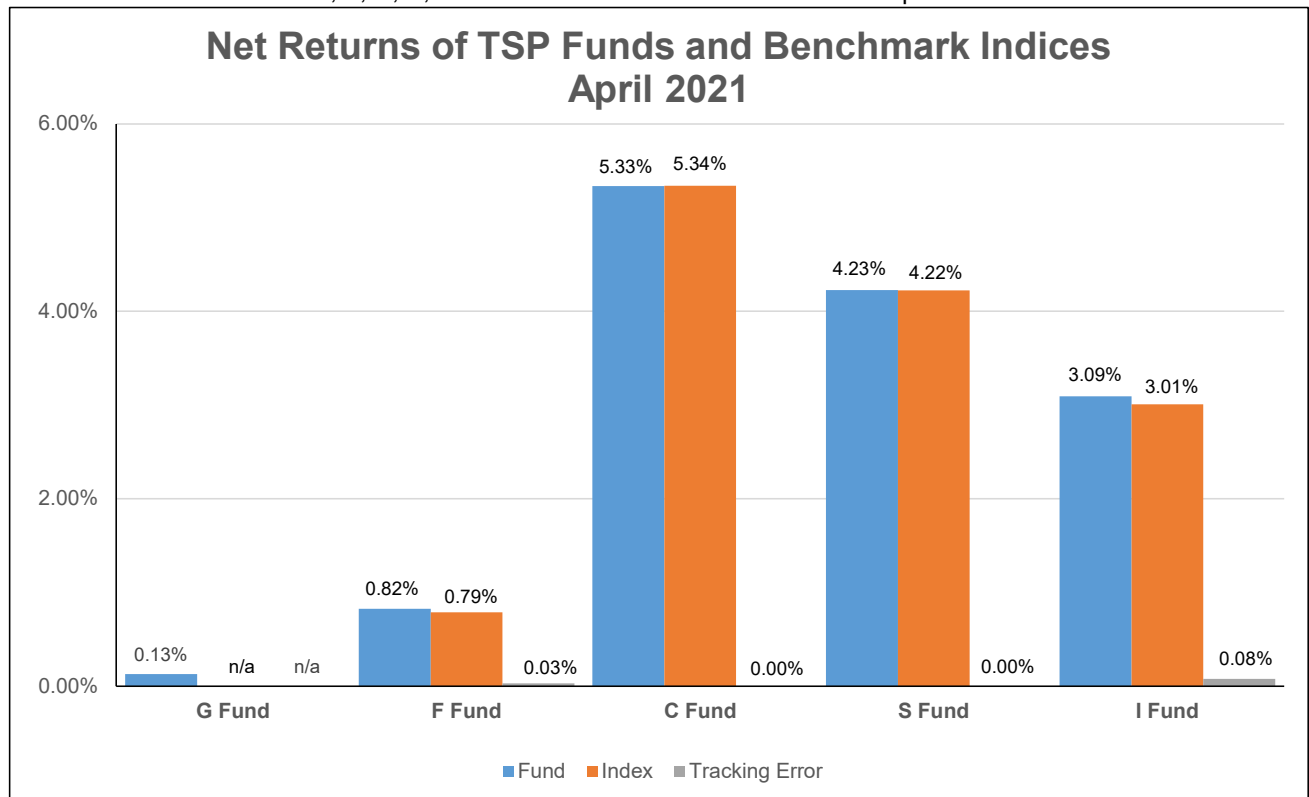
	1-Year	3-Year	5-Year	10-Year
S Fund	78.00%	19.66%	18.55%	13.44%
Dow Jones US Completion TSM Index	78.03%	19.60%	18.44%	13.15%
Tracking Error	-0.03%	0.06%	0.11%	0.29%

	1-Year	3-Year	5-Year	10-Year
I Fund	40.34%	6.65%	9.49%	5.58%
MSCI EAFE Index	39.88%	6.27%	8.87%	5.22%
Tracking Error	0.46%	0.38%	0.62%	0.36%

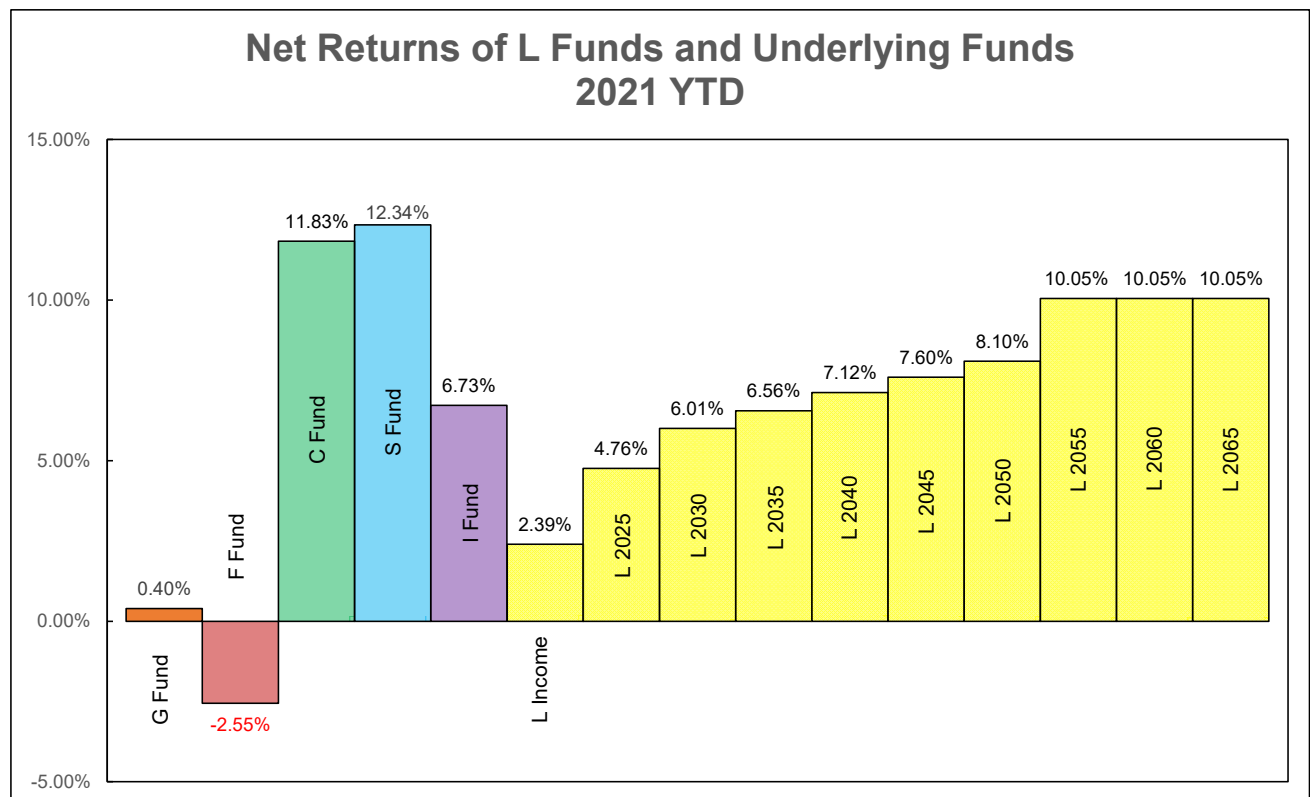
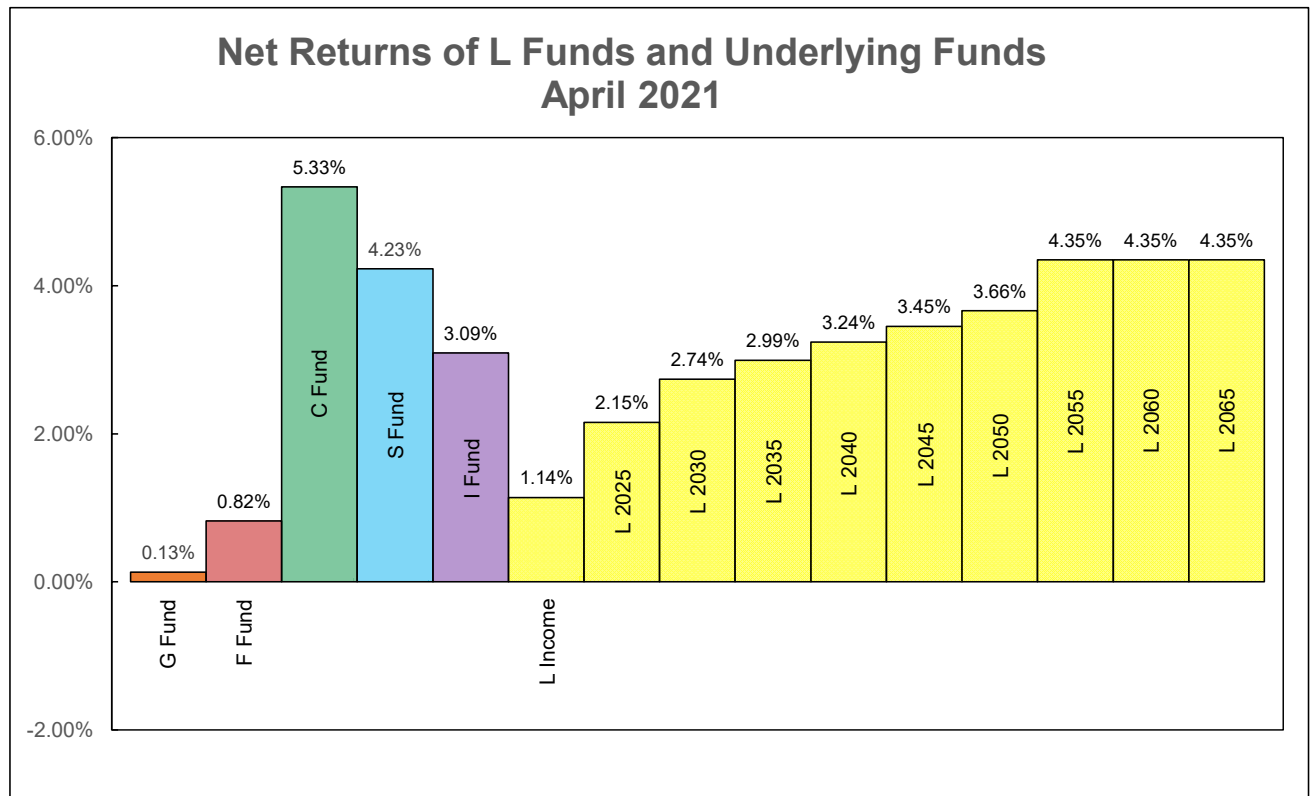
	1-Year	3-Year	5-Year	10-Year
L Income Fund	10.04%	5.06%	4.92%	4.23%
L 2025 Fund	N/A	N/A	N/A	N/A
L 2030 Fund	27.55%	10.06%	10.15%	8.24%
L 2035 Fund	N/A	N/A	N/A	N/A
L 2040 Fund	33.47%	11.56%	11.63%	9.25%
L 2045 Fund	N/A	N/A	N/A	N/A
L 2050 Fund	38.84%	12.82%	12.93%	10.08%
L 2055 Fund	N/A	N/A	N/A	N/A
L 2060 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

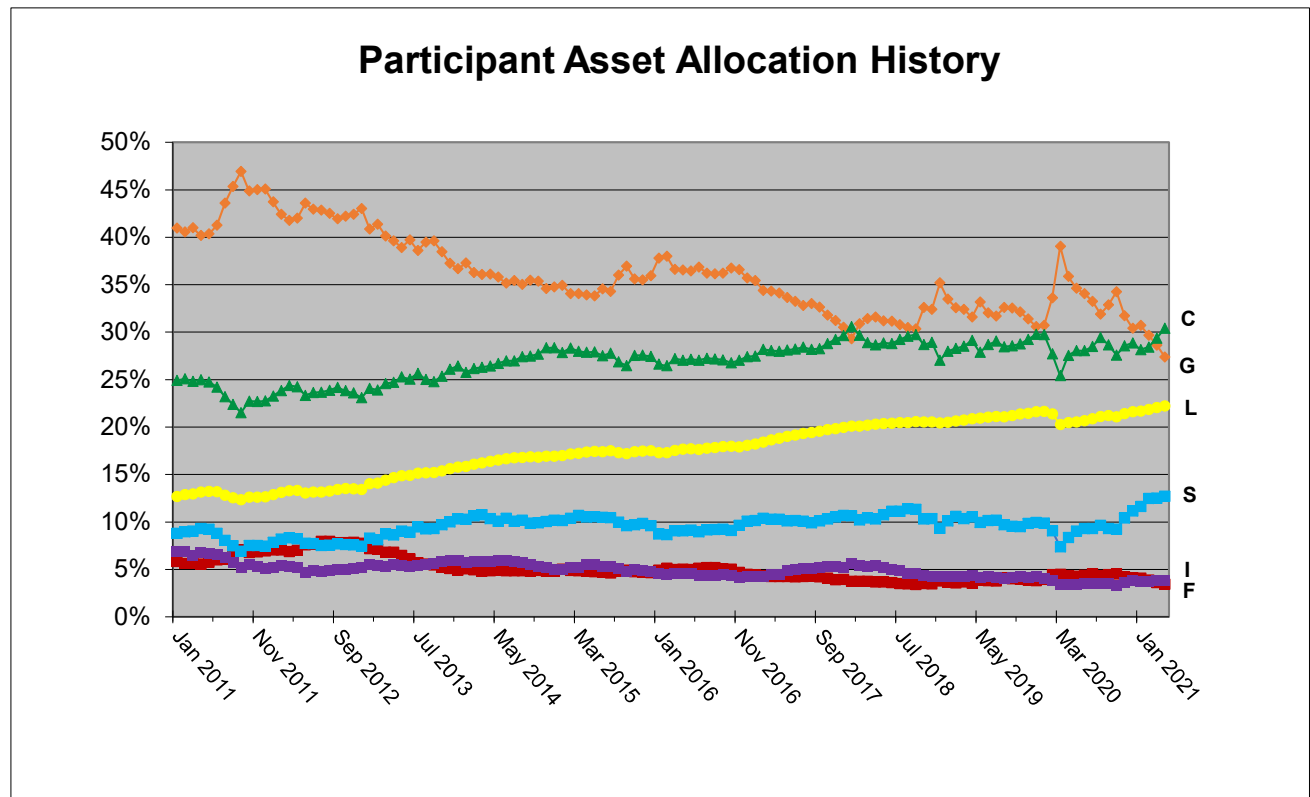
The charts below show the G, F, C, S, and I Fund net rates of return vs. their respective benchmark indices.



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

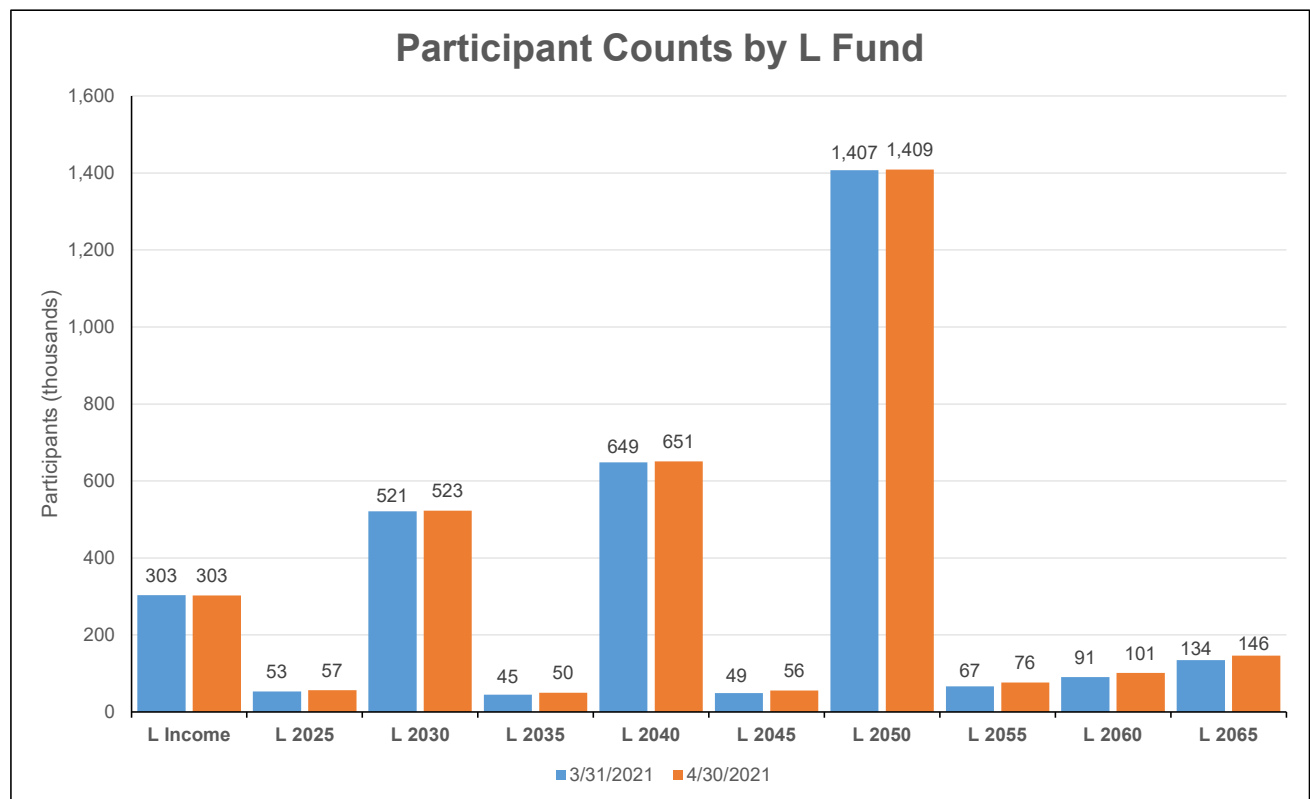
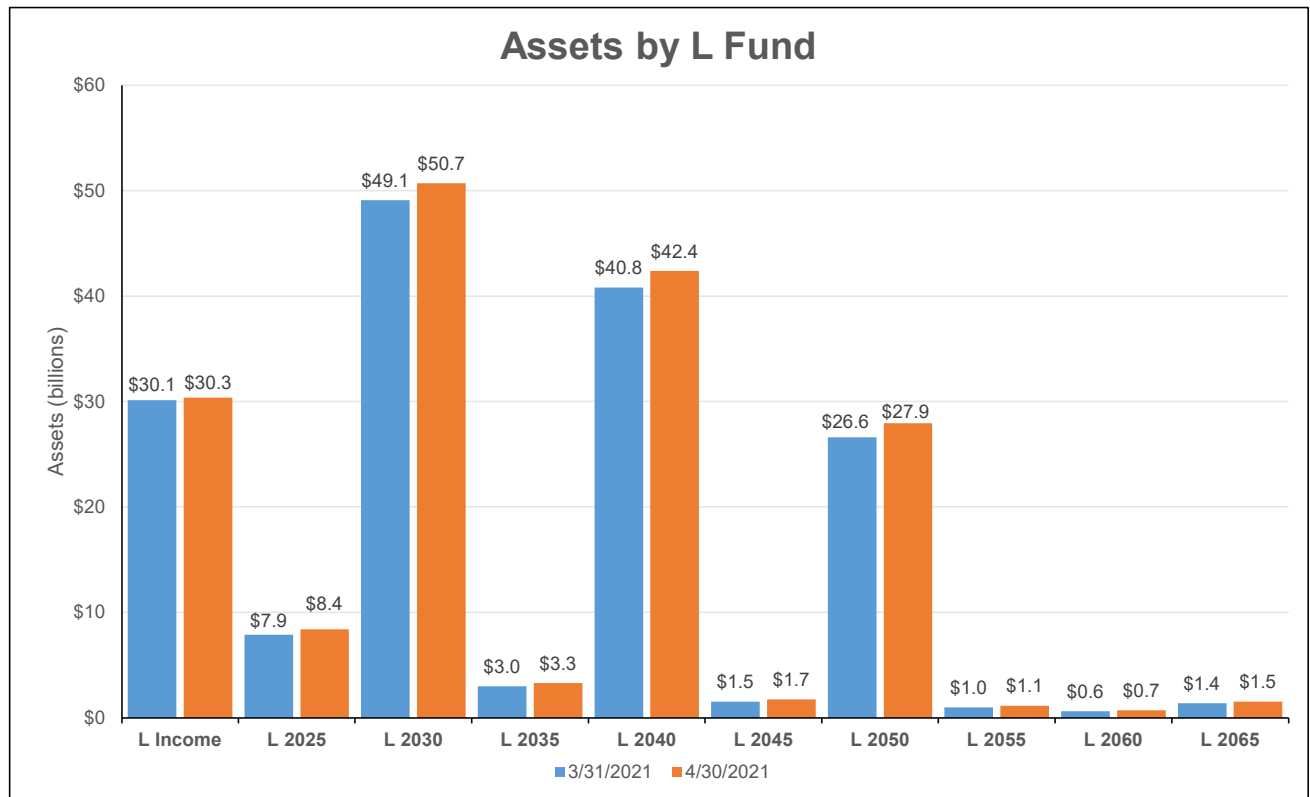


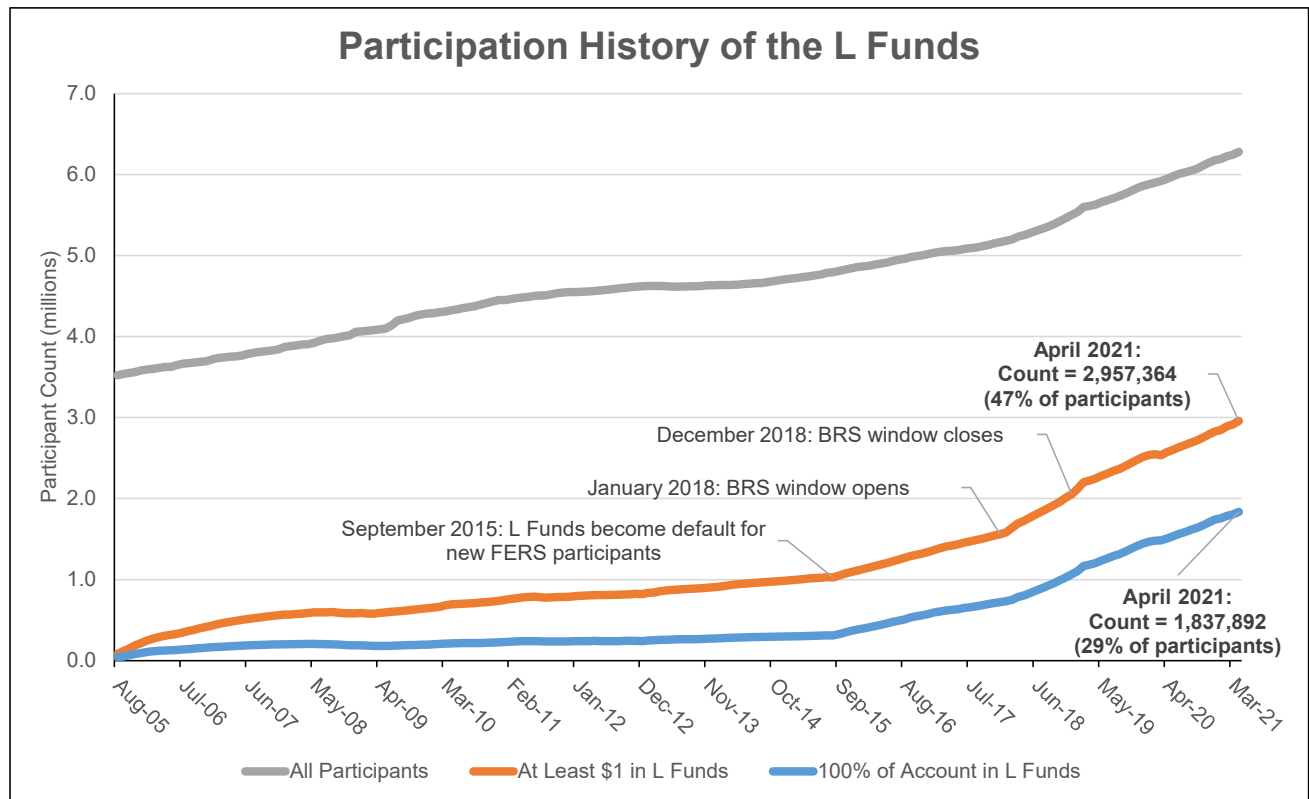
Asset Allocation as of April 30, 2021

	<u>Participant Allocation</u>		<u>Core TSP Funds</u>	
	<u>Assets</u> (Billions)	<u>Share of</u> <u>Total</u>	<u>Assets</u> (Billions)	<u>Share of</u> <u>Total</u>
G Fund	\$208.1	27.5%	\$263.4	34.8%
F Fund	\$26.0	3.4%	\$37.6	5.0%
C Fund	\$230.2	30.4%	\$281.7	37.2%
S Fund	\$96.2	12.7%	\$110.5	14.6%
I Fund	\$29.2	3.9%	\$64.6	8.5%
<u>L Funds</u>	<u>\$168.1</u>	<u>22.2%</u>	<u>n/a</u>	<u>n/a</u>
Total	\$757.8	100%	\$757.8	100%

*Components may not sum to totals because of rounding.

Lifecycle (L) Funds





Interfund Transfer Activity

