



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: November 9, 2021

SUBJECT: October 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 returns and tracking errors for the F, C, S, and I Funds and for the separate accounts managed by BlackRock and State Street. Due to rounding, the tracking errors may not match the differences in returns throughout this report.

October 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	-0.03	7.01	5.42	2.46
	BlackRock	-0.04	7.00	5.43	2.47
	State Street	-0.03	7.01	5.43	n/a
	TSP Fund (Net)	-0.04	7.00	5.43	2.46
Tracking Error vs Index (%)	BlackRock	-0.01	0.00	0.02	0.01
	State Street	0.00	0.00	0.01	n/a
	TSP Fund	-0.02	0.00	0.01	0.00

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

State Street's performance for the F, C, and S Funds was in line with the Funds' respective indices 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	-1.58	24.04	17.66	11.01
	BlackRock	-1.40	24.06	17.77	11.27
	State Street	n/a	n/a	n/a	n/a
	TSP Fund (Net)	-1.44	24.02	17.73	11.23
Tracking Error vs Index (%)	BlackRock	0.18	0.01	0.11	0.26
	State Street	n/a	n/a	n/a	n/a
	TSP Fund	0.14	-0.03	0.07	0.22

BlackRock's year-to-date performance for the F Fund was ahead of the Fixed Income Index by 18 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 11 basis points, primarily resulting from securities lending. Its performance for the I Fund was ahead of the International Index by 26 basis points, primarily due to tax advantage.

TSP Net Returns as of October 31, 2021

	1-Year	3-Year	5-Year	10-Year
G Fund	1.26%	1.61%	1.98%	1.94%

	1-Year	3-Year	5-Year	10-Year
F Fund	-0.33%	5.67%	3.21%	3.23%
Bloomberg Barclays US Agg Bond Index	-0.48%	5.63%	3.10%	3.00%
Tracking Error	0.15%	0.04%	0.11%	0.24%

	1-Year	3-Year	5-Year	10-Year
C Fund	42.88%	21.42%	18.89%	16.24%
S&P 500 Index	42.91%	21.48%	18.93%	16.21%
Tracking Error	-0.03%	-0.05%	-0.03%	0.02%

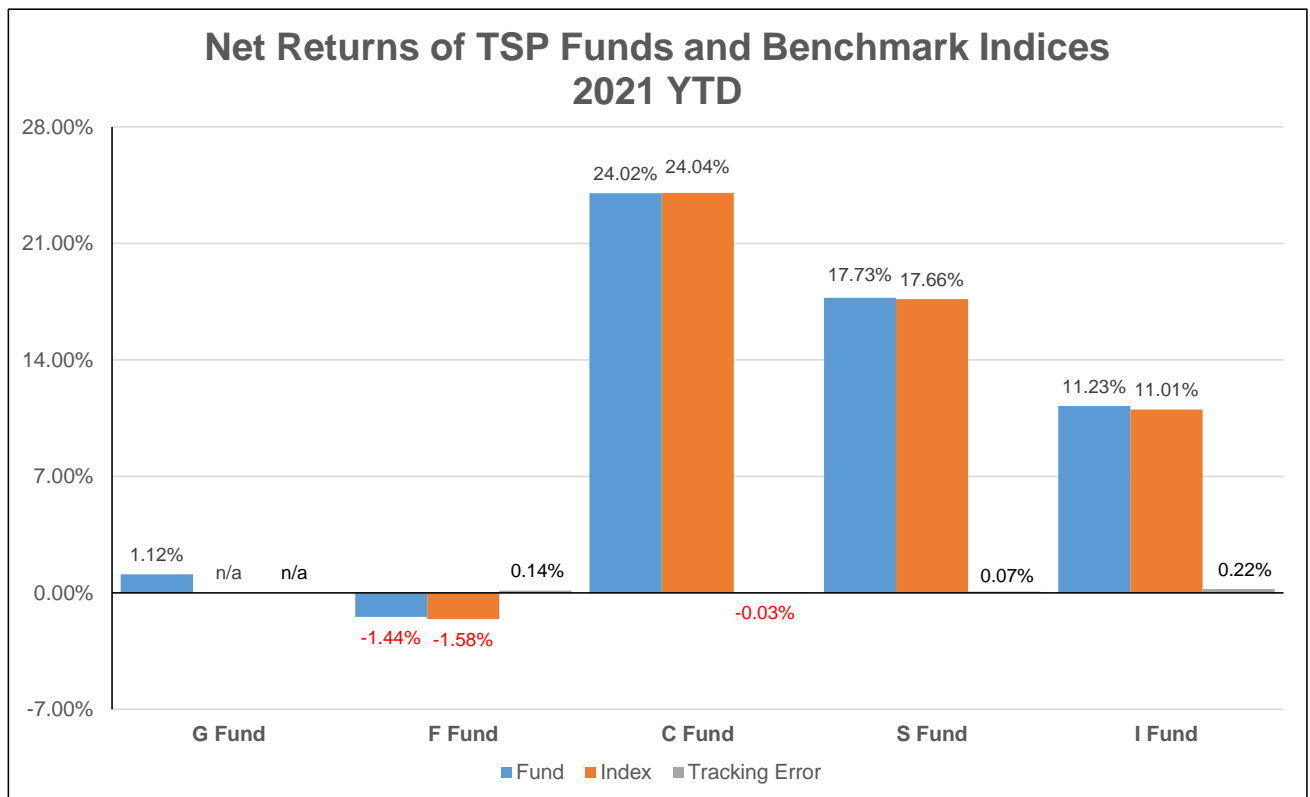
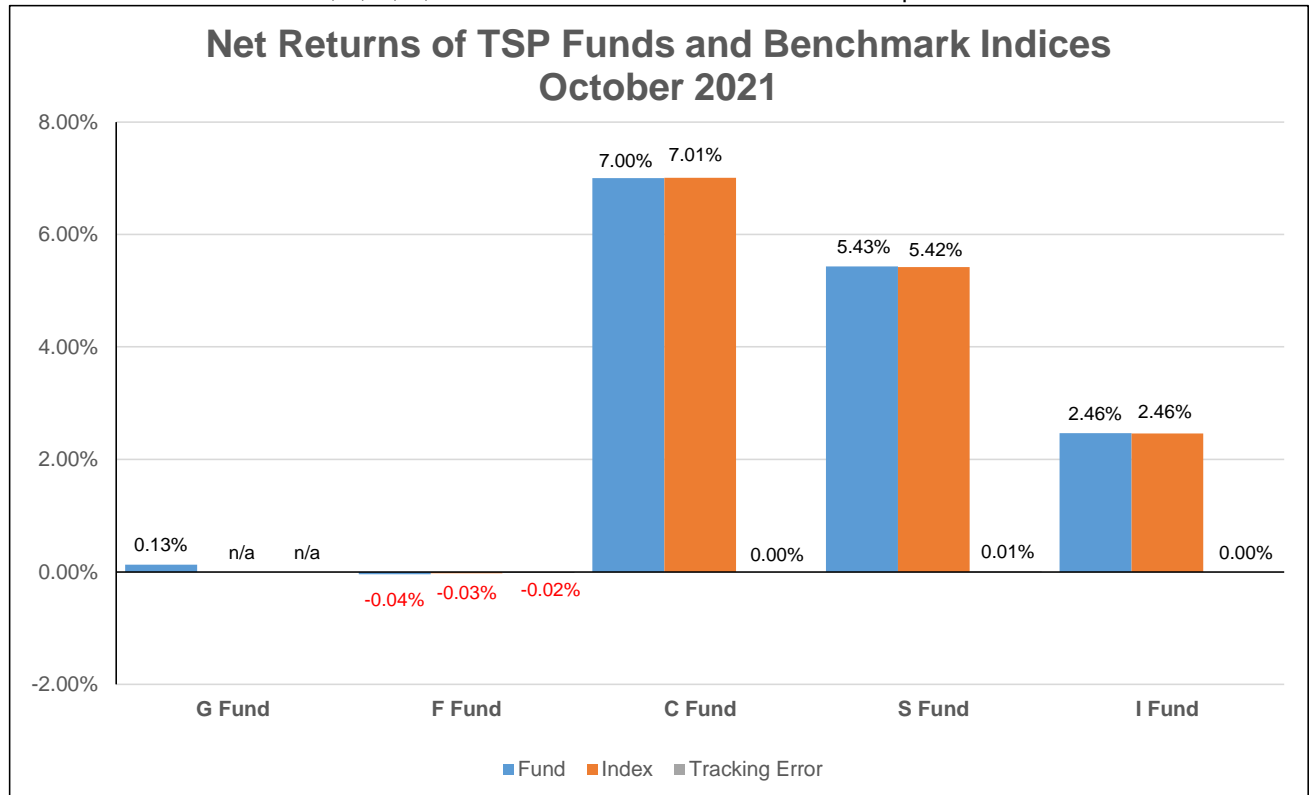
	1-Year	3-Year	5-Year	10-Year
S Fund	49.31%	21.82%	18.55%	15.52%
Dow Jones US Completion TSM Index	49.23%	21.82%	18.46%	15.25%
Tracking Error	0.08%	0.00%	0.09%	0.27%

	1-Year	3-Year	5-Year	10-Year
I Fund	34.48%	11.89%	10.16%	7.86%
MSCI EAFE Index	34.18%	11.54%	9.79%	7.37%
Tracking Error	0.30%	0.35%	0.36%	0.49%

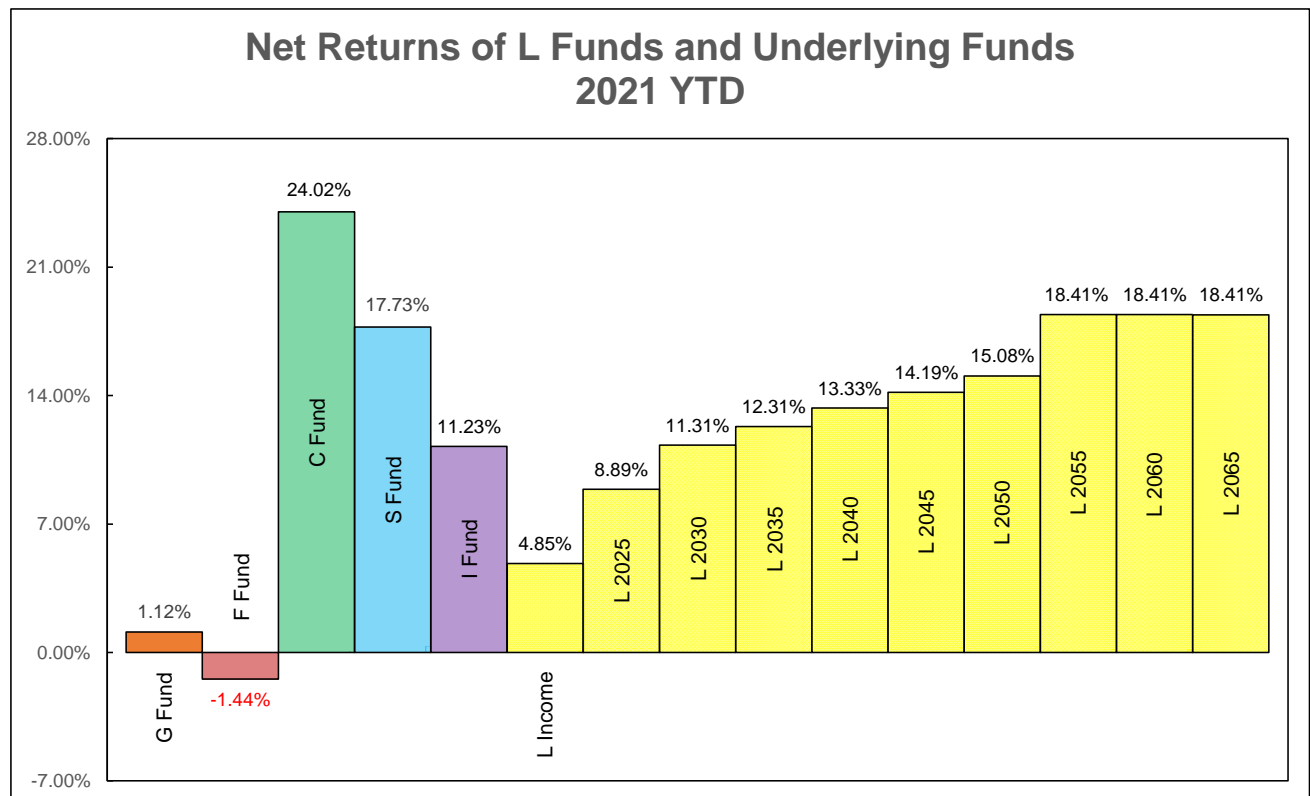
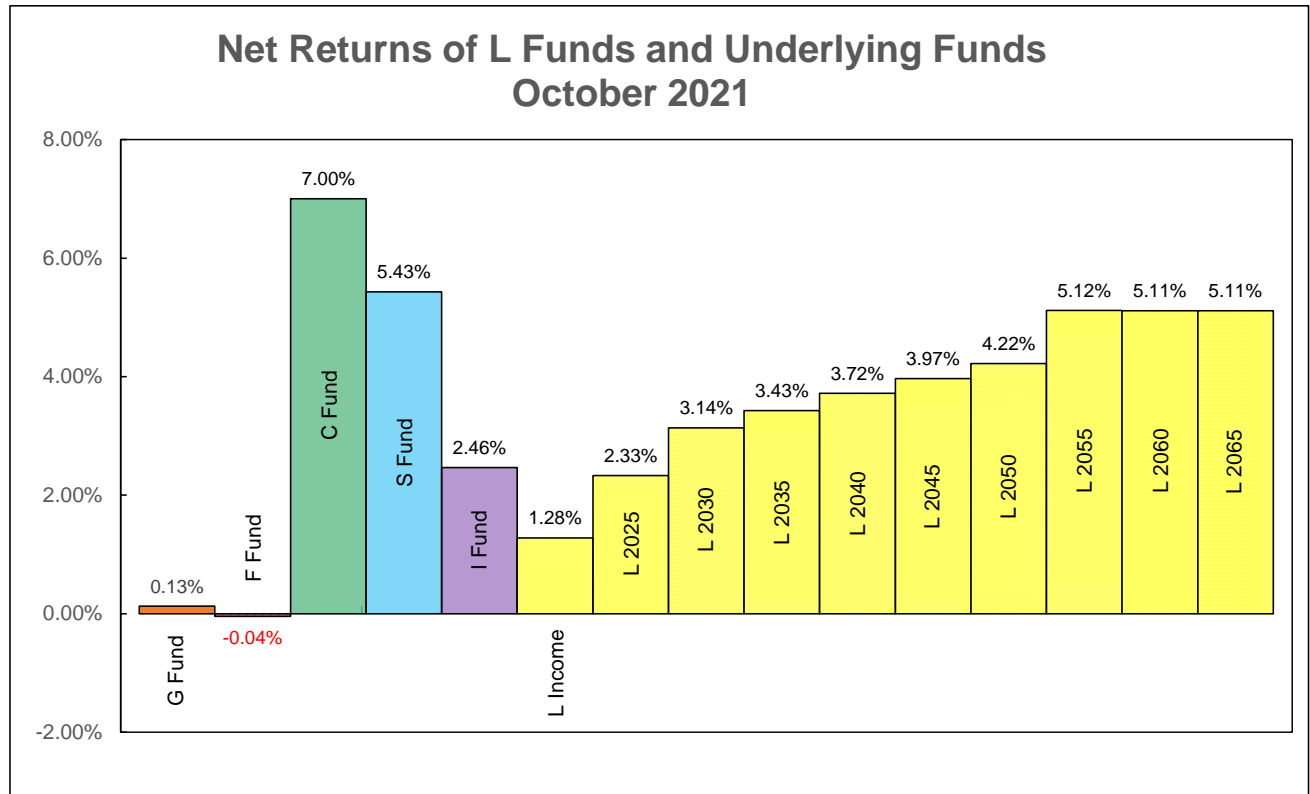
	1-Year	3-Year	5-Year	10-Year
L Income Fund	9.15%	5.58%	5.11%	4.55%
L 2025 Fund	18.66%	N/A	N/A	N/A
L 2030 Fund	23.68%	11.94%	10.66%	9.51%
L 2035 Fund	26.08%	N/A	N/A	N/A
L 2040 Fund	28.52%	13.89%	12.26%	10.76%
L 2045 Fund	30.66%	N/A	N/A	N/A
L 2050 Fund	32.84%	15.54%	13.66%	11.85%
L 2055 Fund	40.68%	N/A	N/A	N/A
L 2060 Fund	40.68%	N/A	N/A	N/A
L 2065 Fund	40.68%	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.

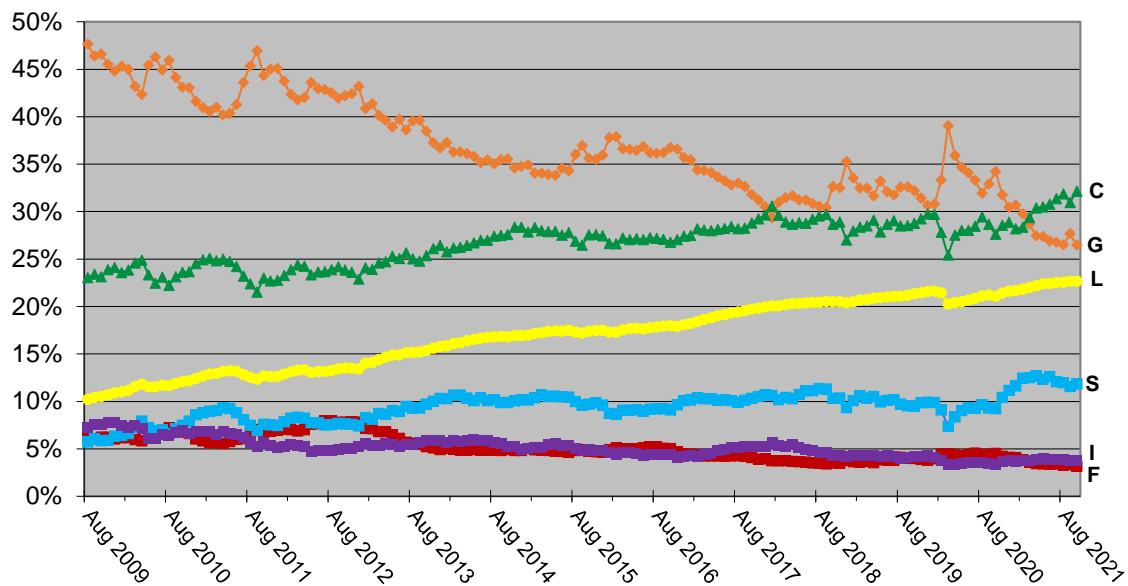


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



Asset Allocation

Participant Asset Allocation History

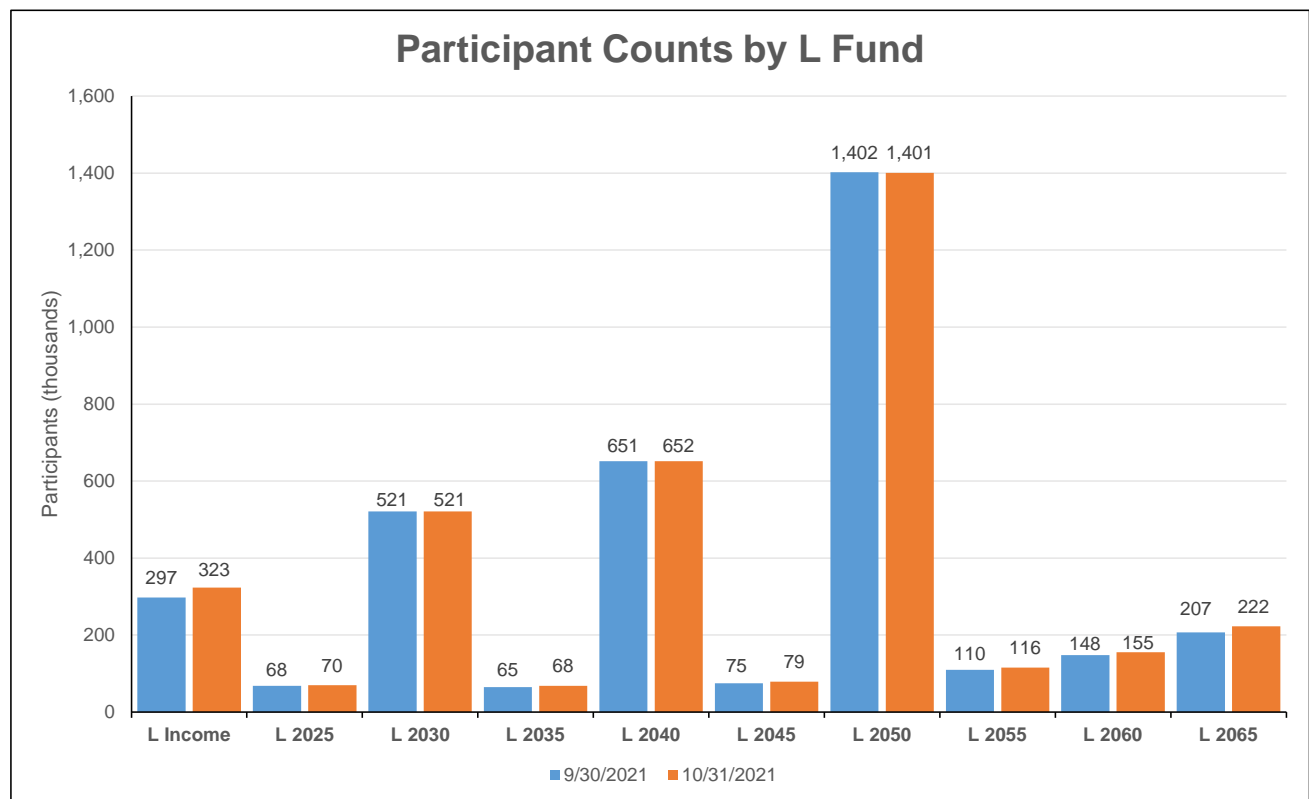
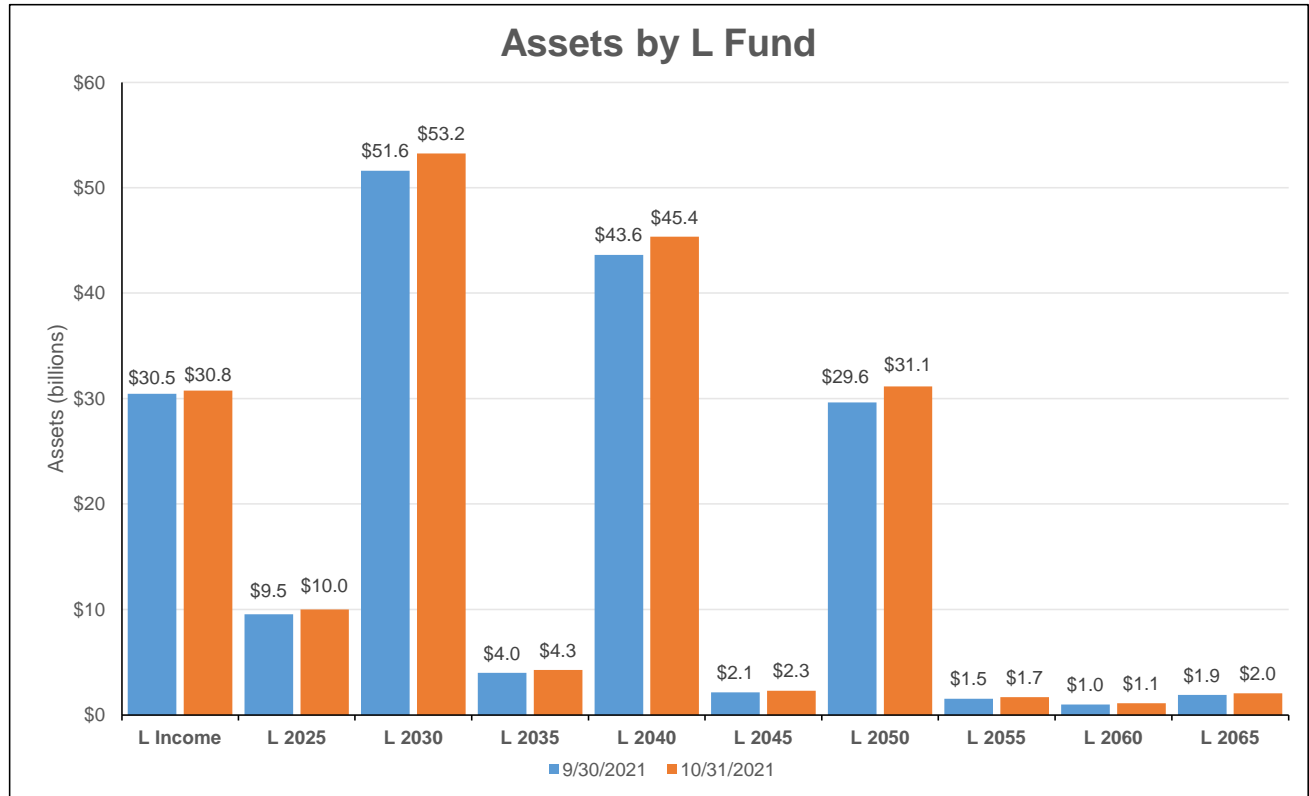


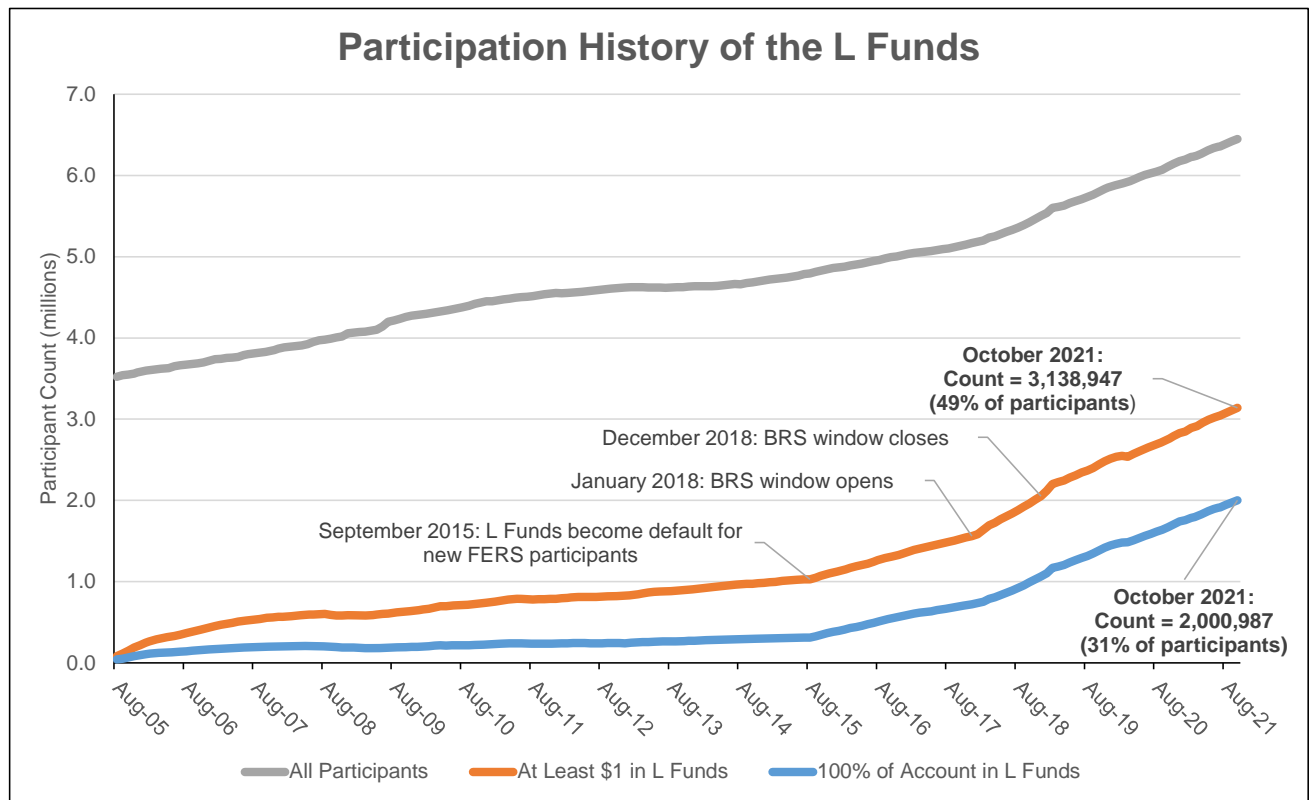
Asset Allocation as of October 31, 2021

	<u>Participant Allocation</u>		<u>Core TSP Funds</u>	
	Assets (Billions)	Share of Total	Assets (Billions)	Share of Total
G Fund	\$212.7	26.5%	\$271.3	33.8%
F Fund	\$25.4	3.2%	\$37.7	4.7%
C Fund	\$258.0	32.1%	\$314.9	39.2%
S Fund	\$95.0	11.8%	\$110.4	13.7%
I Fund	\$30.2	3.8%	\$68.8	8.6%
L Funds	<u>\$181.9</u>	<u>22.6%</u>	<u>n/a</u>	<u>n/a</u>
Total	\$803.1	100%	\$803.1	100%

*Components may not sum to totals because of rounding.

Lifecycle (L) Funds





Interfund Transfer Activity

