



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

MEMORANDUM FOR THE EXECUTIVE DIRECTOR

FROM: Sean McCaffrey, Chief Investment Officer

DATE: February 10, 2022

SUBJECT: January 2022 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 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.

January 2022 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	-5.17	-10.09	-4.83
	BlackRock	-2.06	-5.17	-10.07	-3.95
	State Street	-2.16	-5.18	-10.04	n/a
	TSP Fund (Net)	-2.09	-5.18	-10.07	-3.96
Tracking Error vs Index (%)	BlackRock	0.09	0.00	0.03	0.88
	State Street	-0.01	0.00	0.05	n/a
	TSP Fund	0.07	0.00	0.02	0.88

BlackRock's performance for the F Fund exceeded that of the Fixed Income Index by 9 basis points, primarily due to a difference in the timing of pricing by BlackRock and by the index provider on December 31, 2021. Its performance for the C Fund was in line with the Large Cap Index. For the S Fund, BlackRock outperformed the Small Mid Cap Index by 3 basis points, primarily resulting from securities lending. Its performance for the I Fund was ahead of the International Index by 88 basis points, primarily resulting from a fair value pricing event on the last trading day of January.

State Street'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 exceeded the return of the Small Mid Cap Index by 5 basis points, primarily due to securities sampling.

TSP Net Returns as of January 31, 2022

	1-Year	3-Year	5-Year	10-Year
G Fund	1.45%	1.49%	1.95%	1.93%

	1-Year	3-Year	5-Year	10-Year
F Fund	-2.83%	3.70%	3.18%	2.82%
Bloomberg Barclays US Agg Bond Index	-2.97%	3.67%	3.08%	2.59%
Tracking Error	0.14%	0.04%	0.10%	0.23%

	1-Year	3-Year	5-Year	10-Year
C Fund	23.27%	20.66%	16.74%	15.44%
S&P 500 Index	23.29%	20.71%	16.78%	15.43%
Tracking Error	-0.02%	-0.05%	-0.04%	0.02%

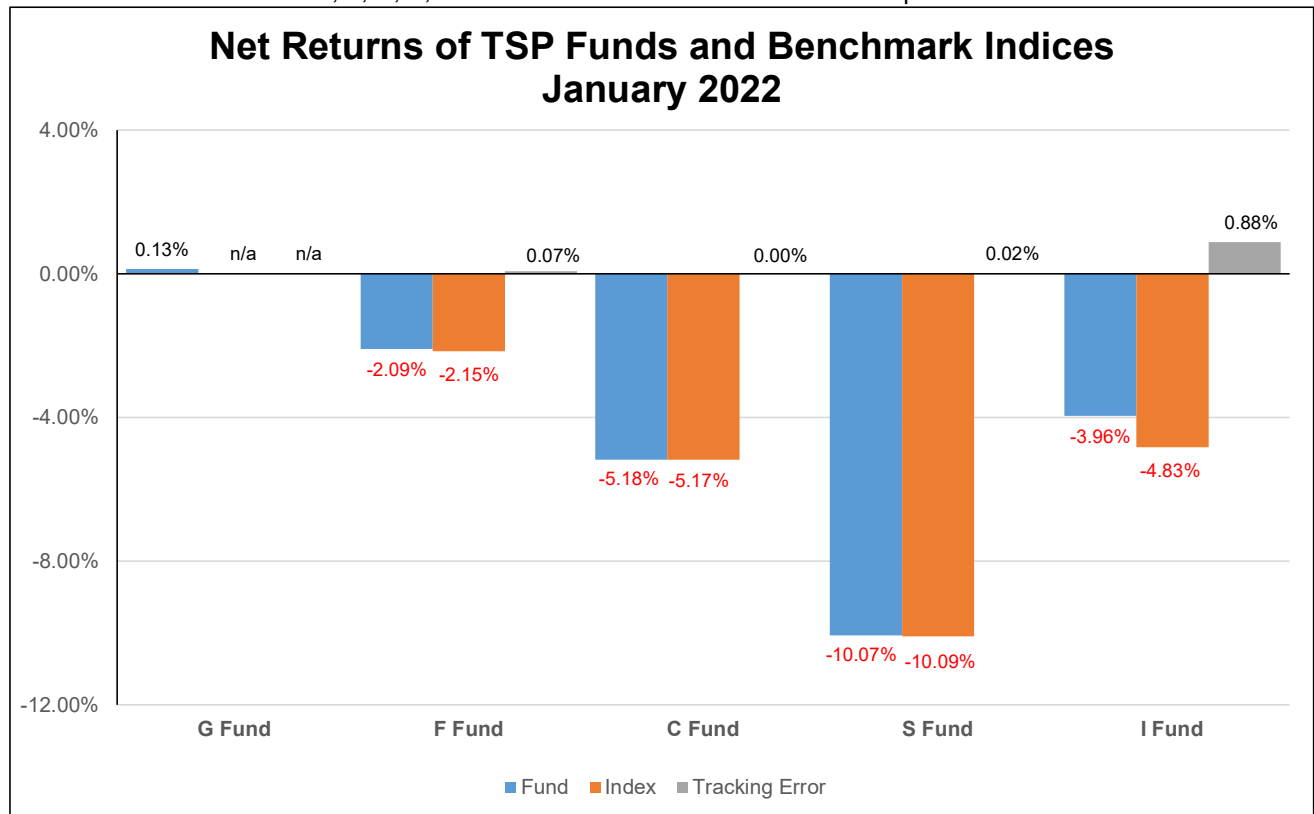
	1-Year	3-Year	5-Year	10-Year
S Fund	-1.68%	15.19%	12.37%	13.01%
Dow Jones US Completion TSM Index	-1.78%	15.24%	12.30%	12.75%
Tracking Error	0.10%	-0.05%	0.07%	0.26%

	1-Year	3-Year	5-Year	10-Year
I Fund	8.22%	9.98%	8.40%	7.38%
MSCI EAFE Index	7.03%	9.34%	7.85%	6.94%
Tracking Error	1.19%	0.64%	0.55%	0.44%

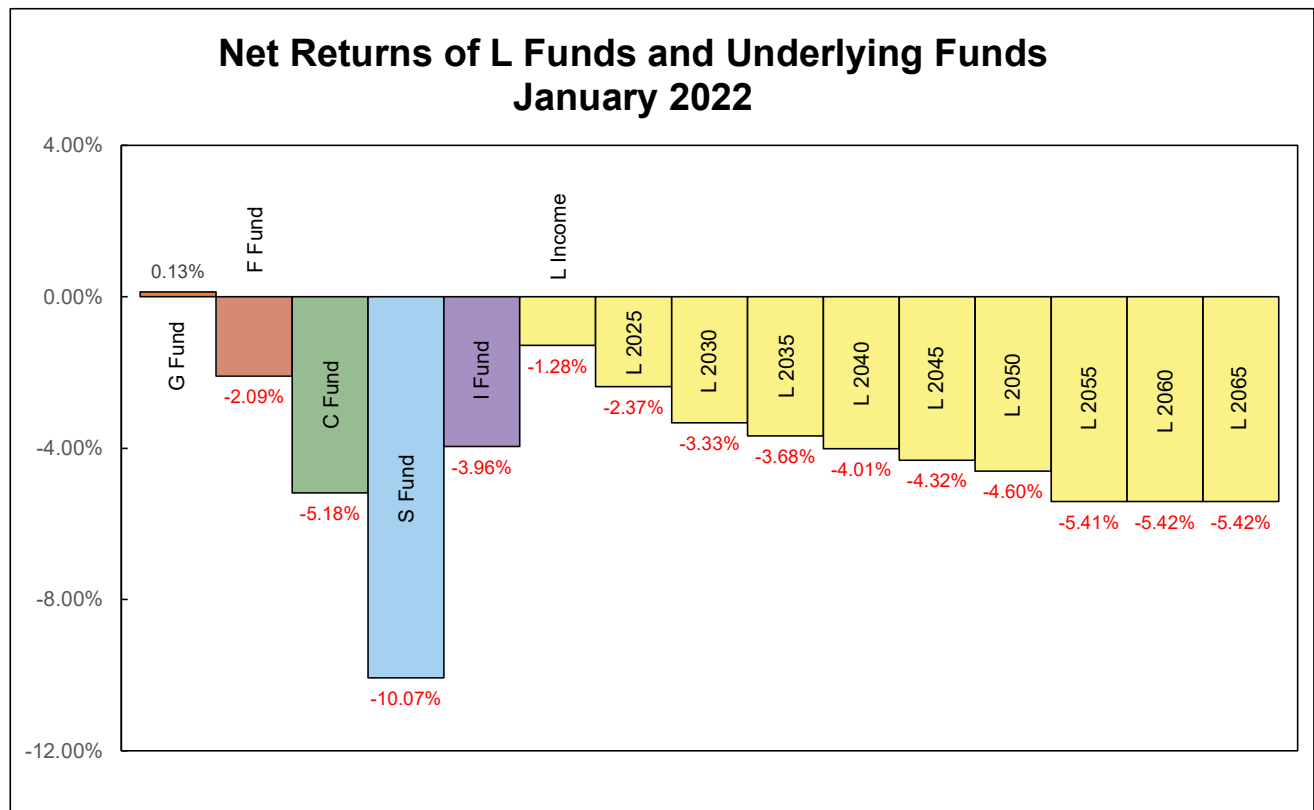
	1-Year	3-Year	5-Year	10-Year
L Income Fund	4.18%	4.96%	4.59%	4.33%
L 2025 Fund	7.41%	N/A	N/A	N/A
L 2030 Fund	8.97%	10.65%	9.11%	8.88%
L 2035 Fund	9.64%	N/A	N/A	N/A
L 2040 Fund	10.33%	12.35%	10.39%	10.02%
L 2045 Fund	10.85%	N/A	N/A	N/A
L 2050 Fund	11.44%	13.78%	11.48%	11.00%
L 2055 Fund	13.92%	N/A	N/A	N/A
L 2060 Fund	13.92%	N/A	N/A	N/A
L 2065 Fund	13.91%	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.

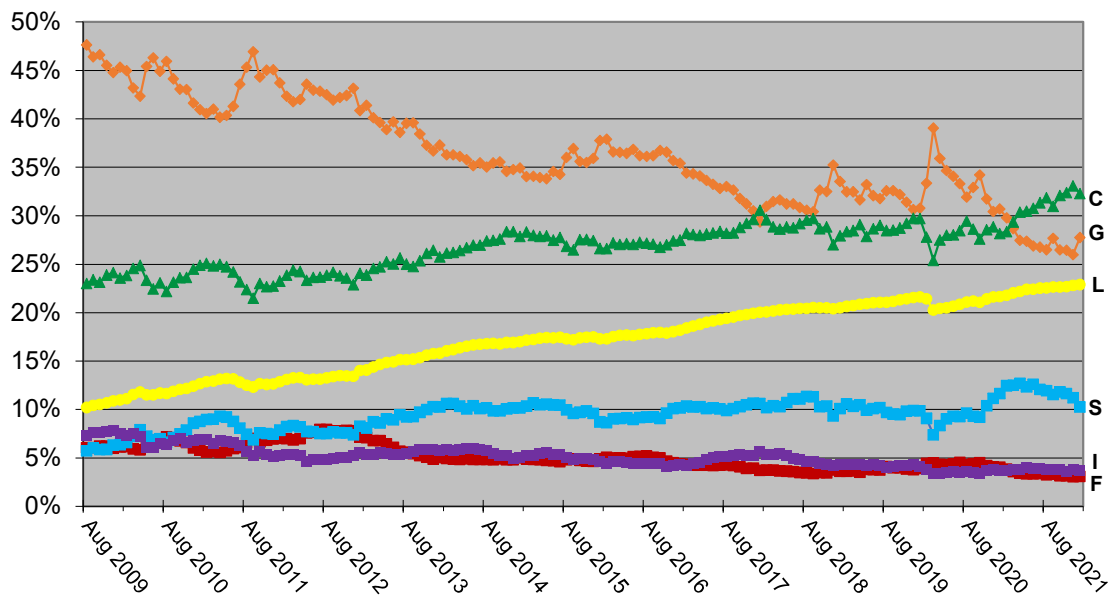


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



Asset Allocation

Participant Asset Allocation History

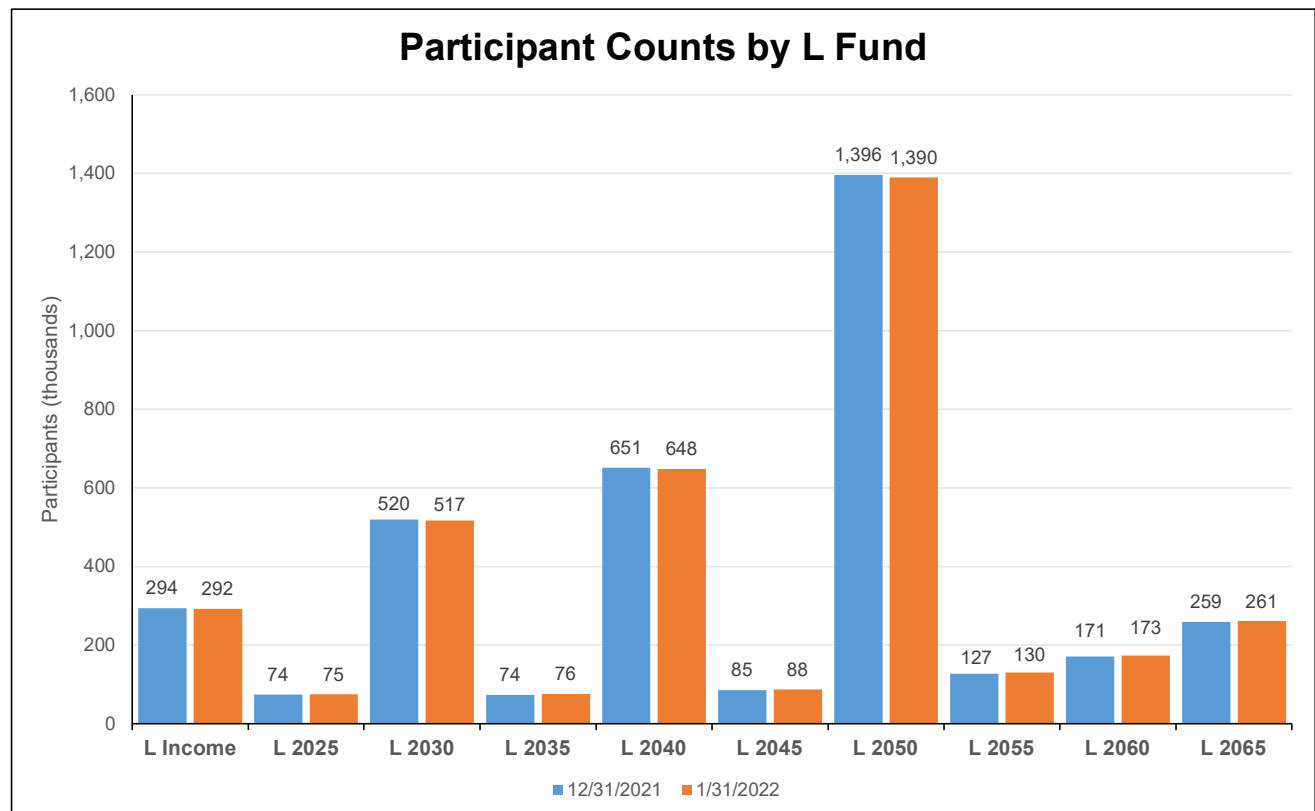
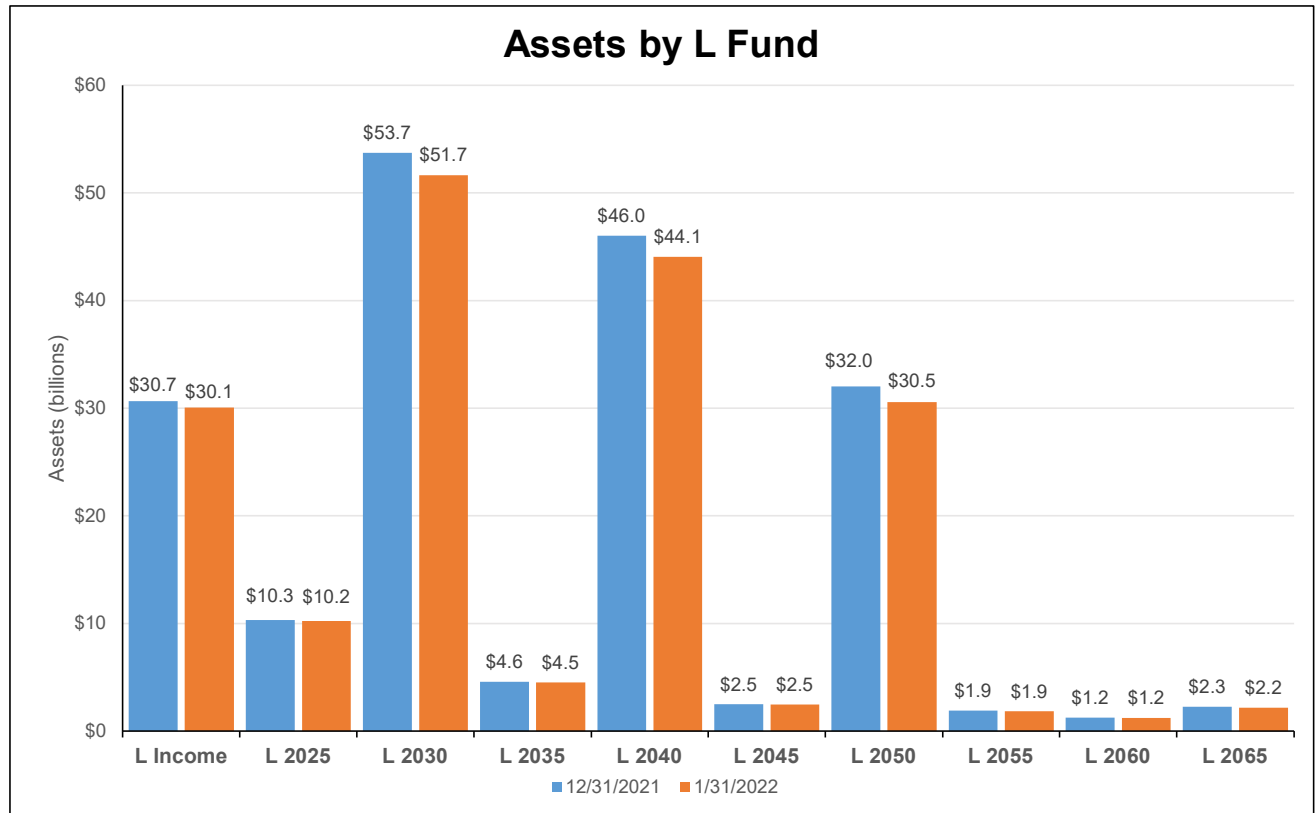


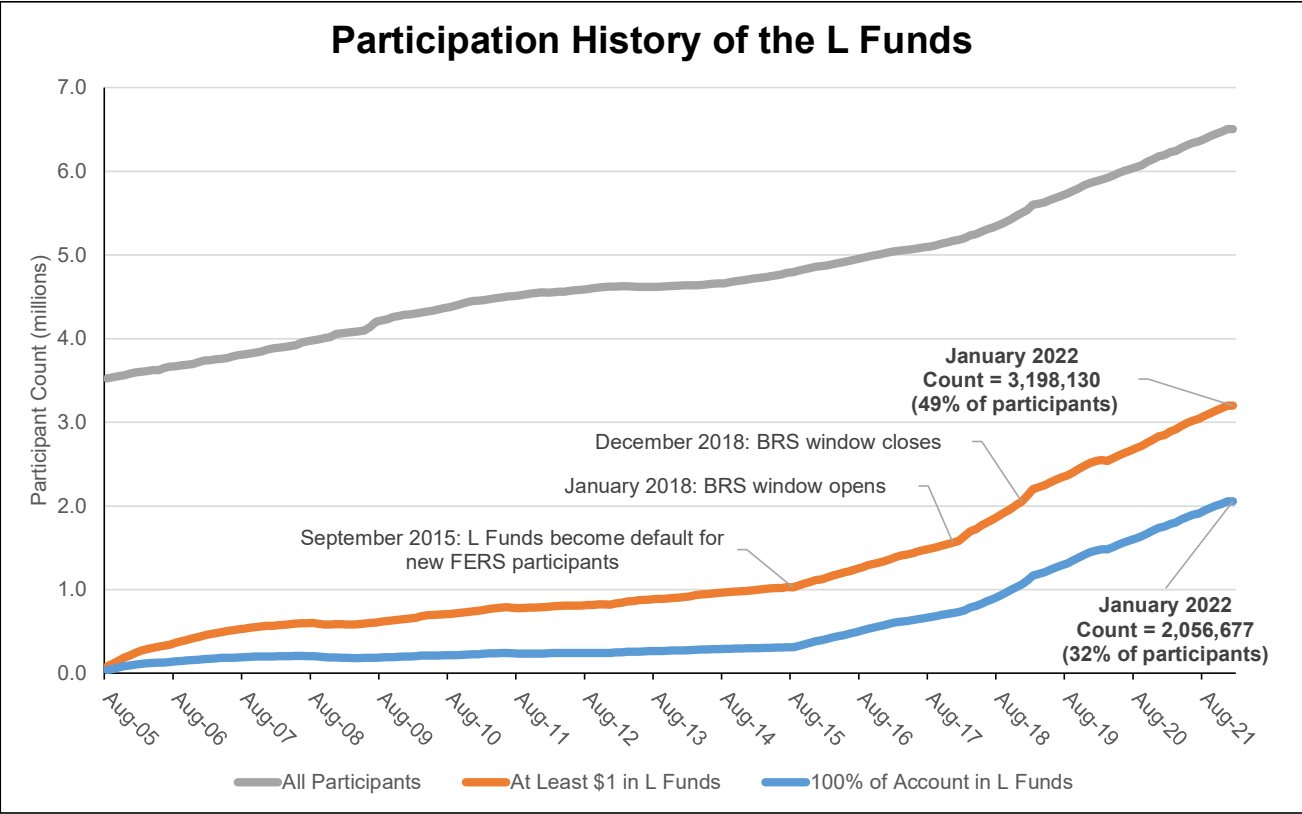
Asset Allocation as of January 31, 2022

	Participant Allocation		Individual TSP Funds	
	Assets (Billions)	Share of Total	Assets (Billions)	Share of Total
G Fund	\$216.6	27.7%	\$273.5	35.0%
F Fund	\$24.2	3.1%	\$36.0	4.6%
C Fund	\$252.0	32.3%	\$308.2	39.5%
S Fund	\$80.1	10.3%	\$95.6	12.2%
I Fund	\$28.9	3.7%	\$67.3	8.6%
<u>L Funds</u>	<u>\$178.8</u>	<u>22.9%</u>	<u>n/a</u>	<u>n/a</u>
Total	\$780.6	100%	\$780.6	100%

*Components may not sum to totals because of rounding.

Lifecycle (L) Funds





Interfund Transfer Activity

