



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

MEMORANDUM FOR BOARD MEMBERS

GERBER, BILYEU, BRIDGES,  
AND OLIVARES

FROM: Sean McCaffrey, Chief Investment Officer

DATE: February 27, 2024

SUBJECT: January 2024 Investment Program Review

### **INTRODUCTION**

This report reviews key aspects of the TSP's investment program, including performance, benchmark differences, interfund transfer activity, and participant allocations.

### **RETURNS AND BENCHMARK DIFFERENCES**

The tables below contain the monthly and benchmark differences for the F, C, S, and I Funds and for the separate accounts managed by BlackRock and State Street. Due to rounding, the benchmark differences may not match the differences in displayed returns.

#### ***January 2024 Returns and Benchmark Differences***

		<b><u>Fixed Income</u></b>	<b><u>Large Cap</u></b>	<b><u>Small Mid Cap</u></b>	<b><u>International</u></b>
		<b><u>(F Fund)</u></b>	<b><u>(C Fund)</u></b>	<b><u>(S Fund)</u></b>	<b><u>(I Fund)</u></b>
<b>Return (%)</b>	<b>Index</b>	-0.27	1.68	-2.40	0.58
	<b>BlackRock</b>	-0.19	1.68	-2.40	-0.28
	<b>State Street</b>	-0.18	1.68	-2.41	0.03
	<b>TSP Fund (Net)</b>	-0.19	1.68	-2.41	-0.22
<b>Benchmark Difference (%)</b>	<b>BlackRock</b>	0.09	0.00	0.00	-0.86
	<b>State Street</b>	0.09	0.00	0.00	-0.54
	<b>TSP Fund</b>	0.09	0.00	-0.01	-0.80

BlackRock's performance for the F Fund was ahead of the Fixed Income Index's return by 9 basis points, primarily due to a difference in the timing of pricing by the index provider and by BlackRock on the last trading day of December 2023. Its performance for the C and S Funds was in line with the Funds' respective indices for the month. For the I Fund, BlackRock's performance lagged the International Index by 86 basis points, primarily due to fair value pricing.

State Street's performance for the F Fund was ahead of the Fixed Income Index's return by 9 basis points, primarily due to a difference in the timing of pricing by the index provider and by State Street on the last trading day of December 2023. Its performance for the C and S Funds was in line with the Funds' respective indices for the month. For the I Fund, State Street lagged the International Index by 54 basis points, primarily due to fair value pricing.

***TSP Net Returns as of January 31, 2024***

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>G Fund</b>	4.23%	2.95%	2.37%	2.33%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>F Fund</b>	2.06%	-3.04%	0.91%	1.84%
<b>Bloomberg US Agg Bond Index</b>	2.10%	-3.17%	0.83%	1.63%
<b>Benchmark Difference</b>	-0.04%	0.13%	0.08%	0.21%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>C Fund</b>	20.78%	10.96%	14.26%	12.61%
<b>S&amp;P 500 Index</b>	20.82%	10.99%	14.30%	12.62%
<b>Benchmark Difference</b>	-0.04%	-0.03%	-0.04%	0.00%

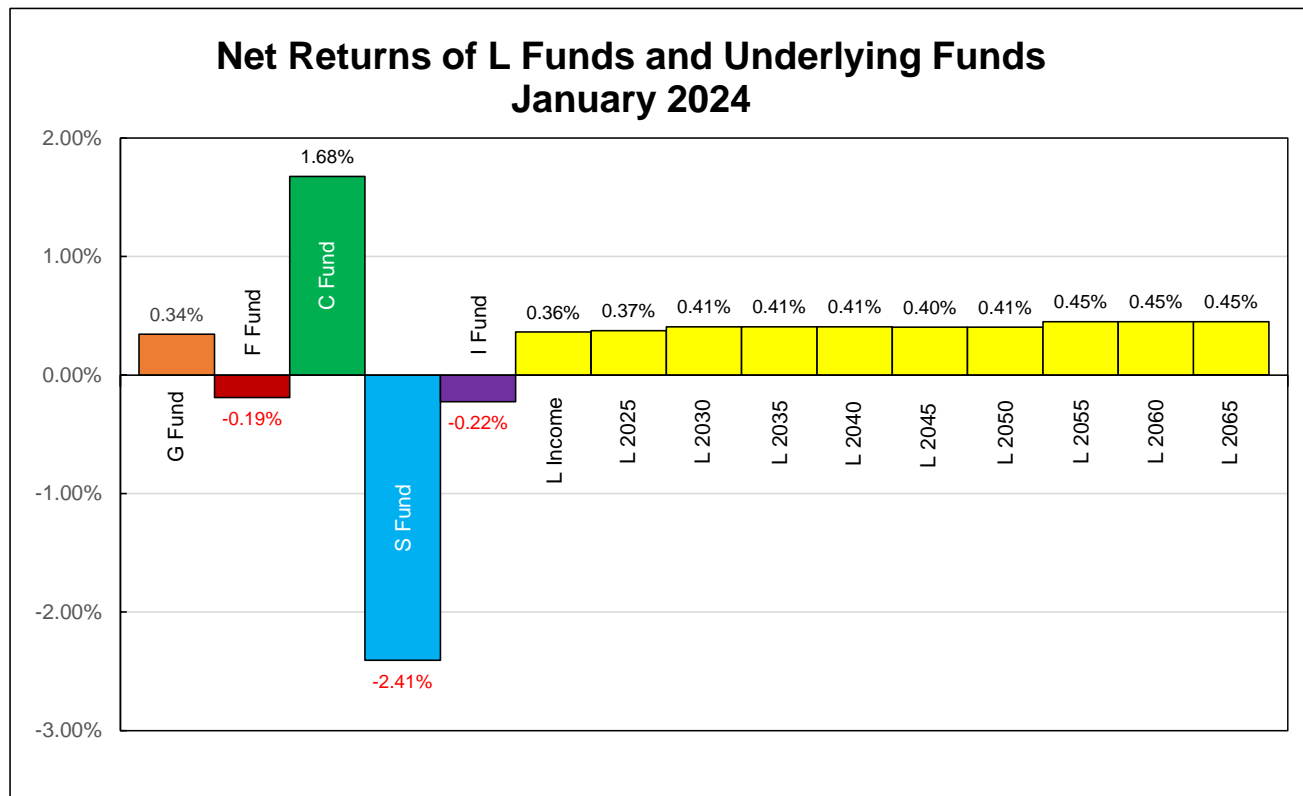
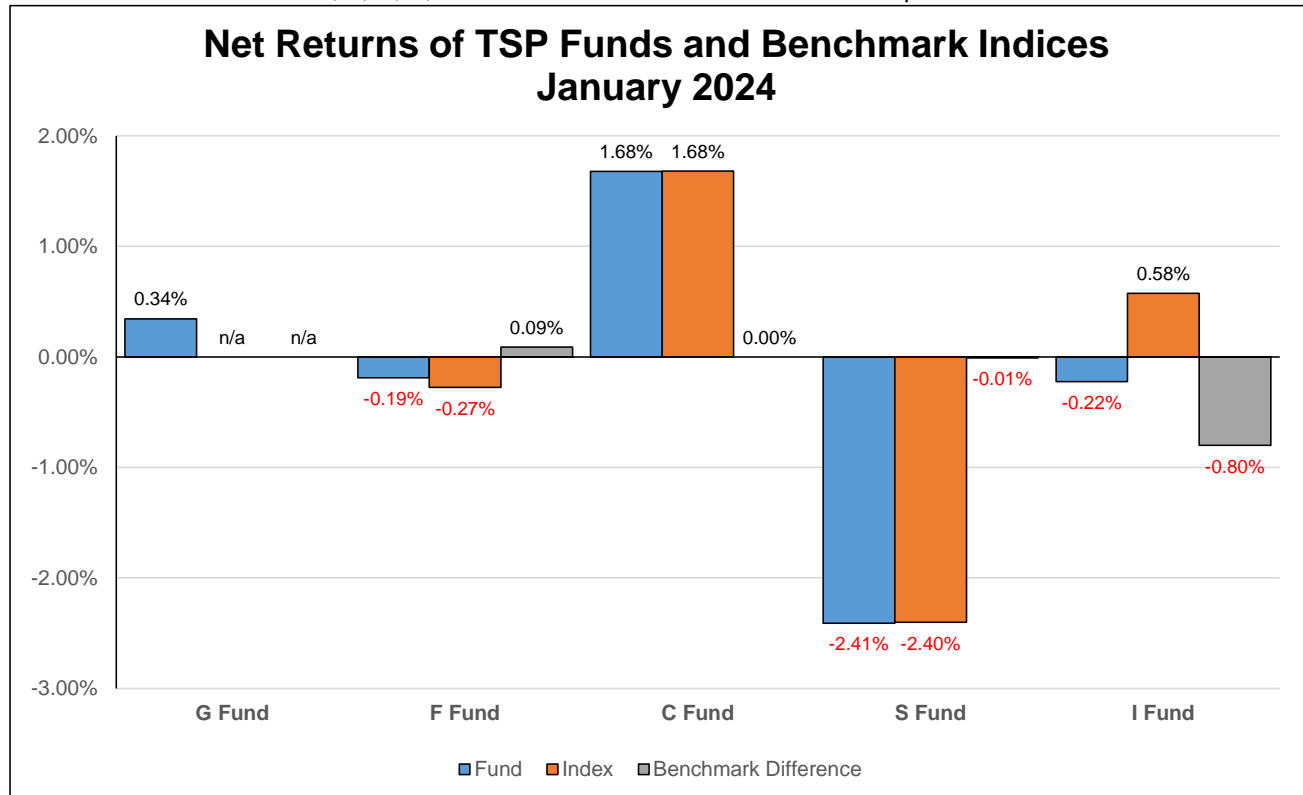
	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>S Fund</b>	10.34%	-0.47%	8.91%	8.58%
<b>Dow Jones US Completion TSM Index</b>	10.08%	-0.71%	8.81%	8.34%
<b>Benchmark Difference</b>	0.26%	0.24%	0.10%	0.24%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>I Fund</b>	8.93%	4.63%	7.08%	5.03%
<b>MSCI EAFE Index</b>	10.01%	4.59%	6.92%	4.77%
<b>Benchmark Difference</b>	-1.08%	0.04%	0.16%	0.27%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>L Income Fund</b>	6.98%	3.95%	4.51%	4.09%
<b>L 2025 Fund</b>	8.12%	4.65%	N/A	N/A
<b>L 2030 Fund</b>	10.84%	5.52%	7.87%	7.05%
<b>L 2035 Fund</b>	11.44%	5.68%	N/A	N/A
<b>L 2040 Fund</b>	12.05%	5.87%	8.81%	7.80%
<b>L 2045 Fund</b>	12.56%	5.98%	N/A	N/A
<b>L 2050 Fund</b>	13.09%	6.14%	9.58%	8.43%
<b>L 2055 Fund</b>	15.09%	7.12%	N/A	N/A
<b>L 2060 Fund</b>	15.09%	7.12%	N/A	N/A
<b>L 2065 Fund</b>	15.09%	7.11%	N/A	N/A
<b>Inception date for L 2025, L 2035, L 2045, L 2055, L 2060, L 2065: July 1, 2020</b>				

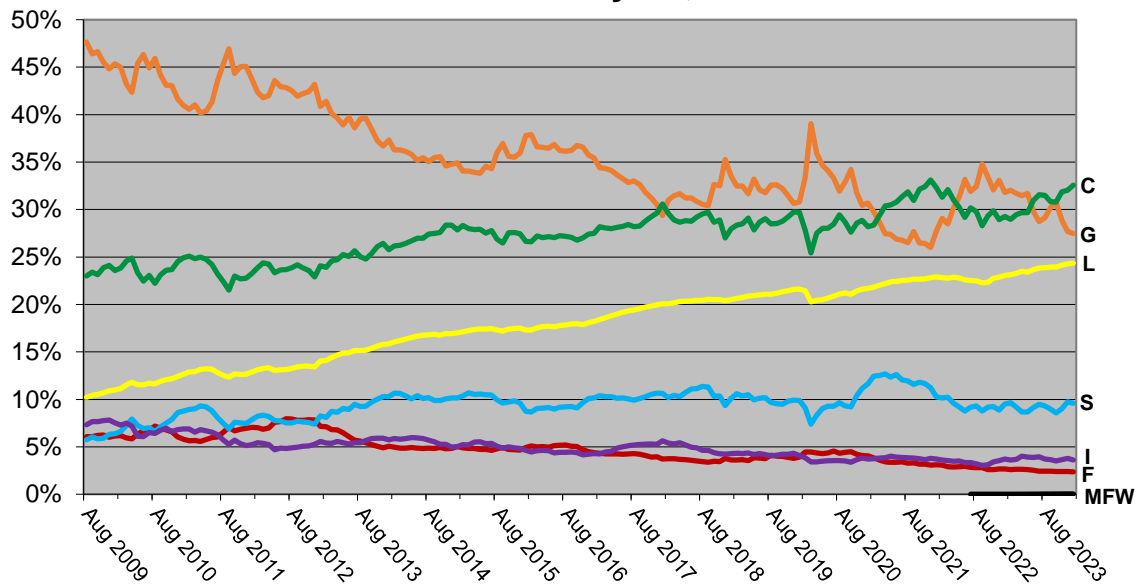
## Performance of TSP Funds

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



## Asset Allocation

### Participant Asset Allocation History as of January 31, 2024

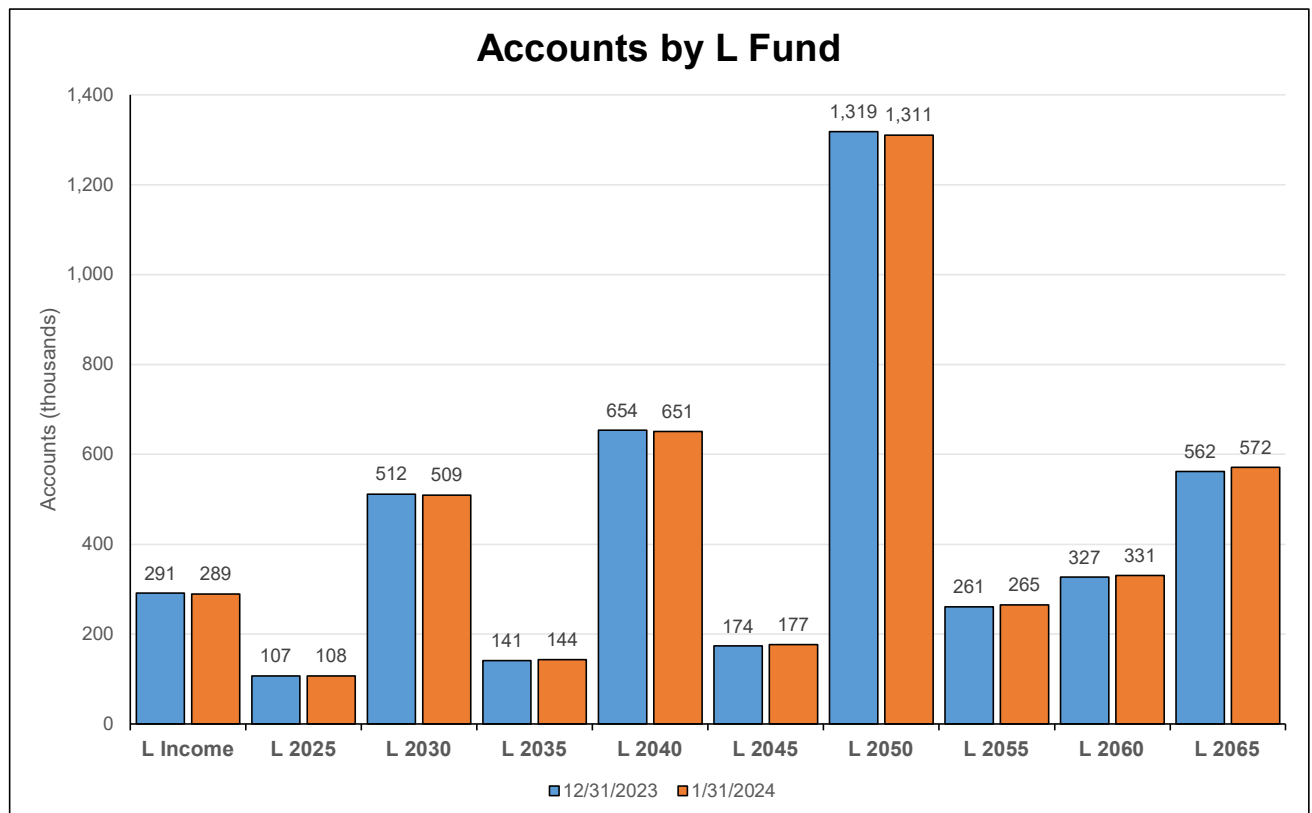
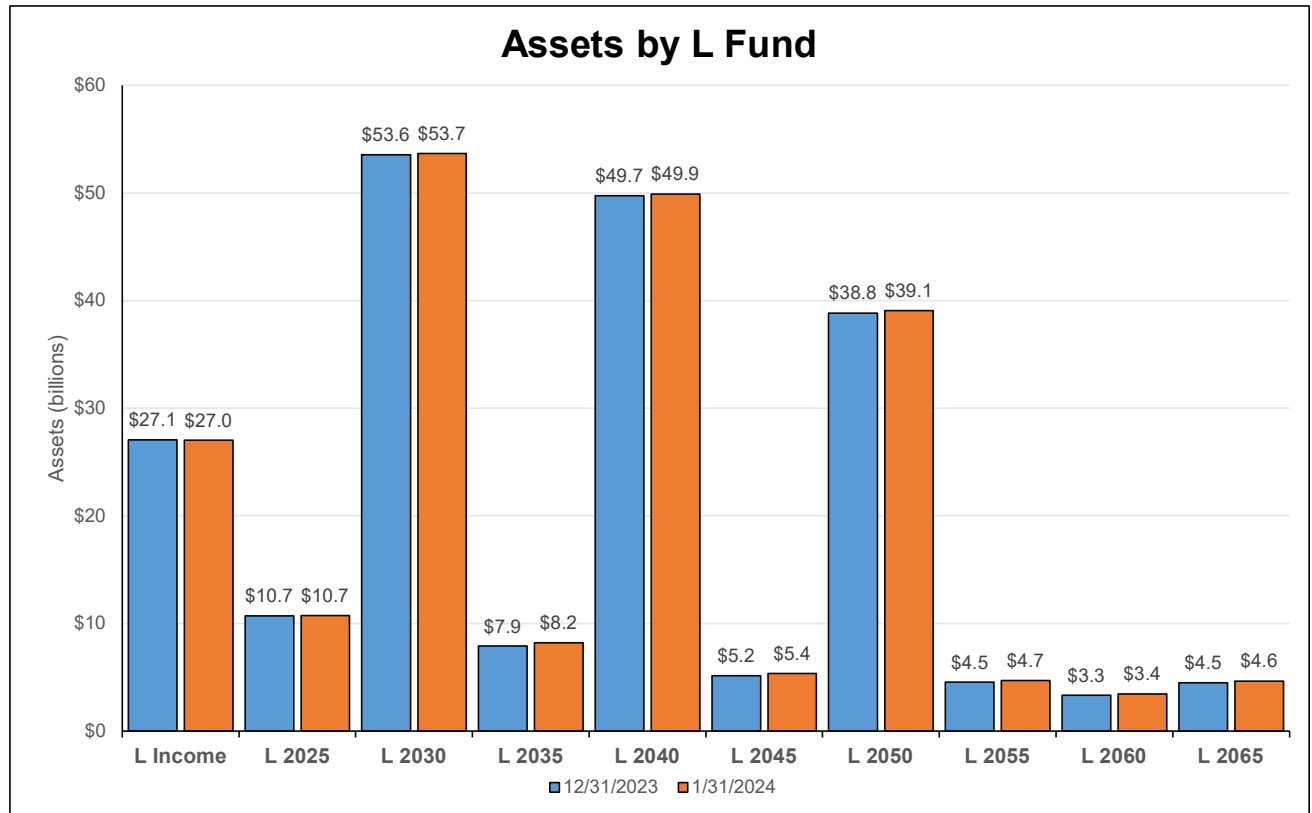


### Asset Allocation as of January 31, 2024

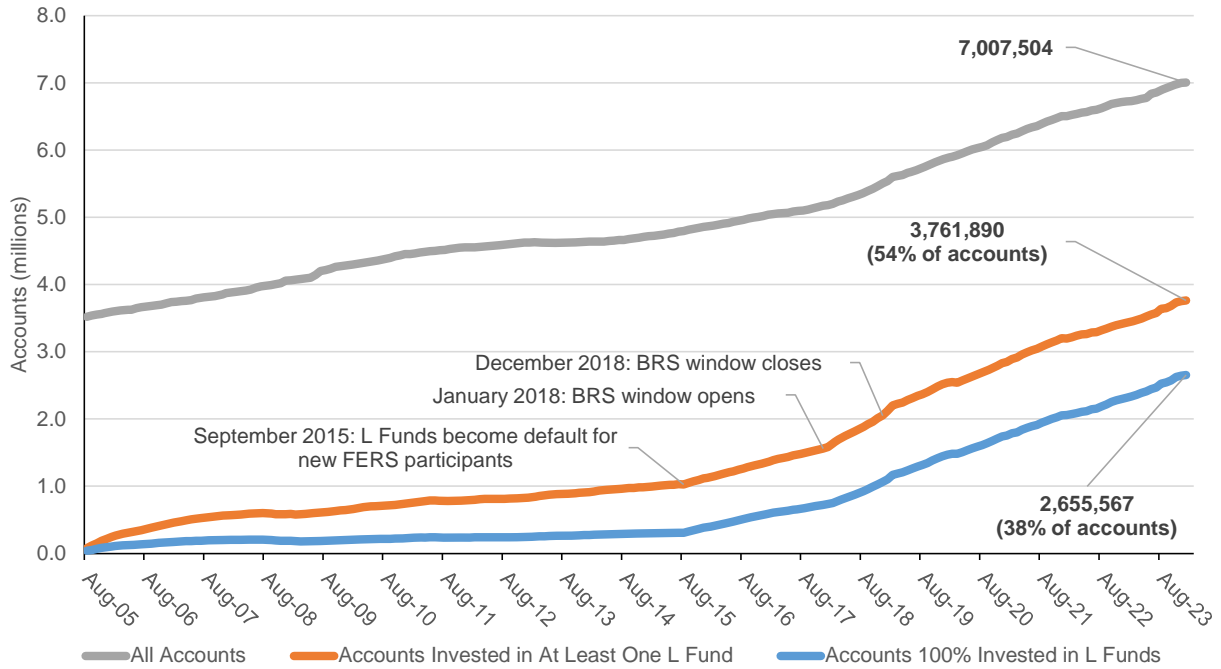
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets (Billions)</u>	<u>Share of Total</u>	<u>Assets (Billions)</u>	<u>Share of Total</u>
<b>G Fund</b>	\$233.4	27.5%	\$294.9	34.7%
<b>F Fund</b>	\$20.1	2.4%	\$33.1	3.9%
<b>C Fund</b>	\$276.5	32.6%	\$344.5	40.6%
<b>S Fund</b>	\$81.4	9.6%	\$98.9	11.7%
<b>I Fund</b>	\$30.7	3.6%	\$77.4	9.1%
<b>L Funds</b>	\$206.7	24.3%	n/a	n/a
<b><u>MFW</u></b>	<u>\$0.3</u>	<u>0.0%</u>	<u>\$0.3</u>	<u>0.0%</u>
<b>Total</b>	\$849.2	100.0%	\$849.2	100.0%

\*Components may not sum to totals due to rounding.

## Lifecycle (L) Funds

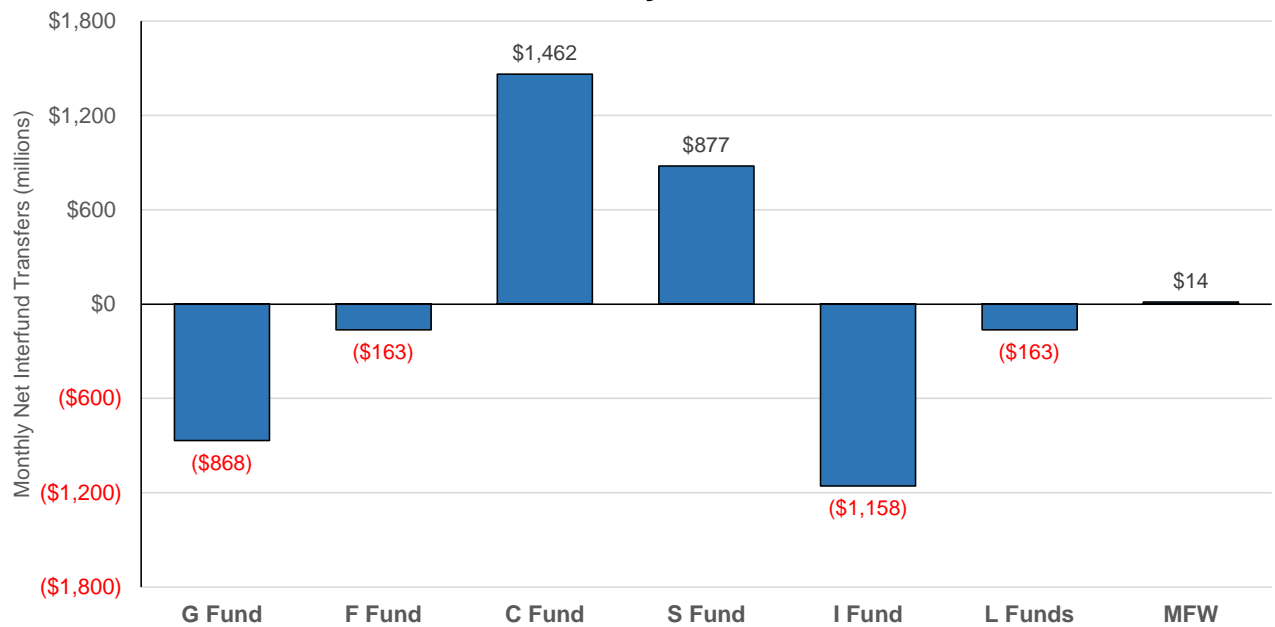


## Participation History of the L Funds as of January 31, 2024



## Interfund Transfer Activity

### Monthly Net Interfund Transfers January 2024



\*Values may not sum to zero due to rounding.