



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: March 26, 2024

SUBJECT: February 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 year-to-date (YTD) returns 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.

February 2024 Returns and Benchmark Differences

		<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	-1.41	5.34	6.05	1.83
	BlackRock	-1.41	5.34	6.03	2.84
	State Street	-1.41	5.34	6.04	2.36
	TSP Fund (Net)	-1.41	5.34	6.03	2.74
Benchmark Difference (%)	BlackRock	0.00	0.00	-0.02	1.01
	State Street	0.00	0.00	0.00	0.53
	TSP Fund	0.00	0.00	-0.02	0.91

BlackRock's performance for the F, C, and S Funds was in line with the Funds' respective indices for the month. Its performance for the I Fund exceeded the International Index's return by 101 basis points, primarily due to fair value pricing.

State Street's performance for the F, C, and S Funds was in line with the Funds' respective indices for the month. Its performance for the I Fund exceeded the International Index's return by 53 basis points, primarily due to fair value pricing.

2024 YTD Returns and Benchmark Differences

		<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	-1.68	7.11	3.50	2.42
	BlackRock	-1.59	7.11	3.48	2.55
	State Street	-1.59	7.11	3.49	2.39
	TSP Fund (Net)	-1.60	7.10	3.48	2.51
Benchmark Difference (%)	BlackRock	0.09	0.00	-0.02	0.13
	State Street	0.09	0.00	-0.01	-0.02
	TSP Fund	0.08	-0.01	-0.02	0.09

Year-to-date, BlackRock's performance for the F Fund exceeded 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. Its performance for the I Fund was ahead of the International Index by 13 basis points, primarily due to futures mistracking and fair value pricing.

Year-to-date, State Street's performance for the F Fund exceeded 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, S, and I Funds was in line with the Funds' respective indices.

TSP Net Returns as of February 29, 2024

	1-Year	3-Year	5-Year	10-Year
G Fund	4.28%	3.03%	2.40%	2.35%

	1-Year	3-Year	5-Year	10-Year
F Fund	3.29%	-3.02%	0.64%	1.63%
Bloomberg US Agg Bond Index	3.33%	-3.16%	0.56%	1.43%
Benchmark Difference	-0.04%	0.14%	0.08%	0.20%

	1-Year	3-Year	5-Year	10-Year
C Fund	30.41%	11.88%	14.72%	12.69%
S&P 500 Index	30.45%	11.91%	14.76%	12.70%
Benchmark Difference	-0.04%	-0.03%	-0.04%	0.00%

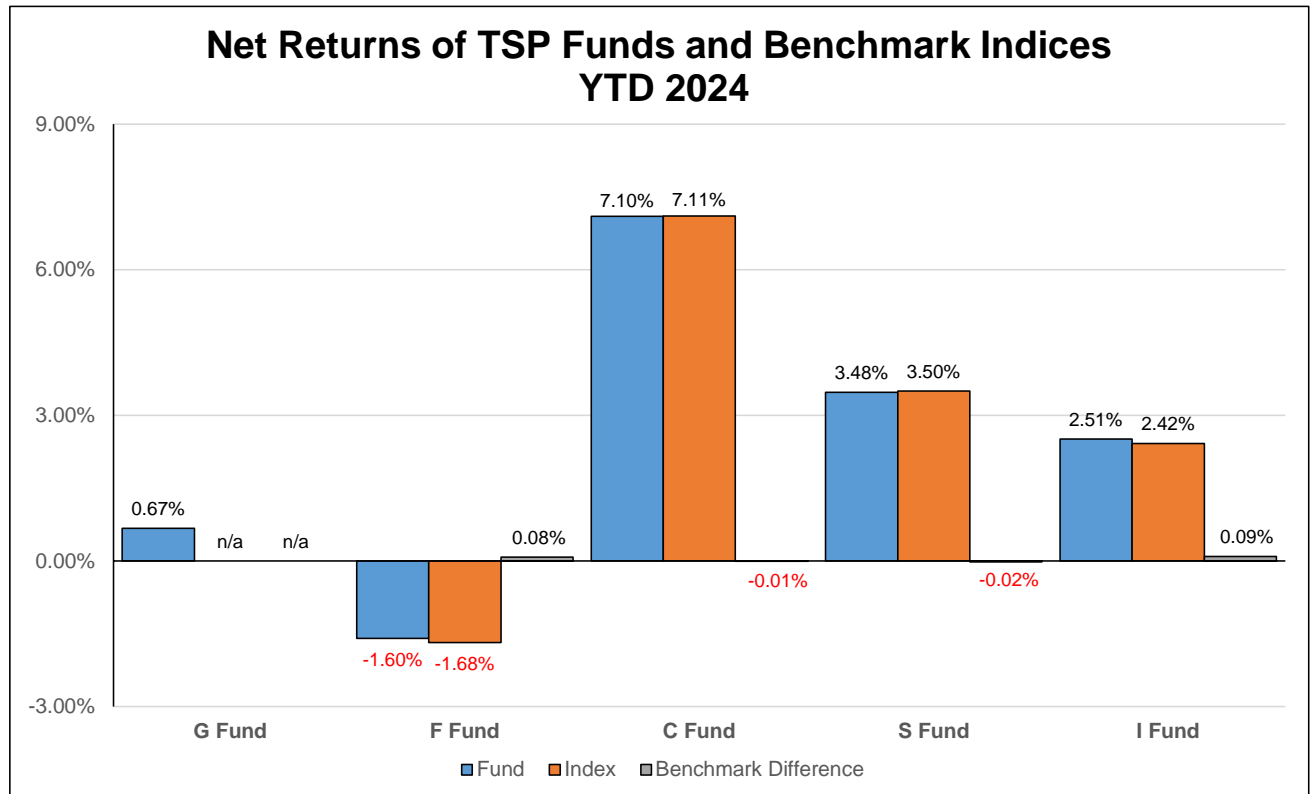
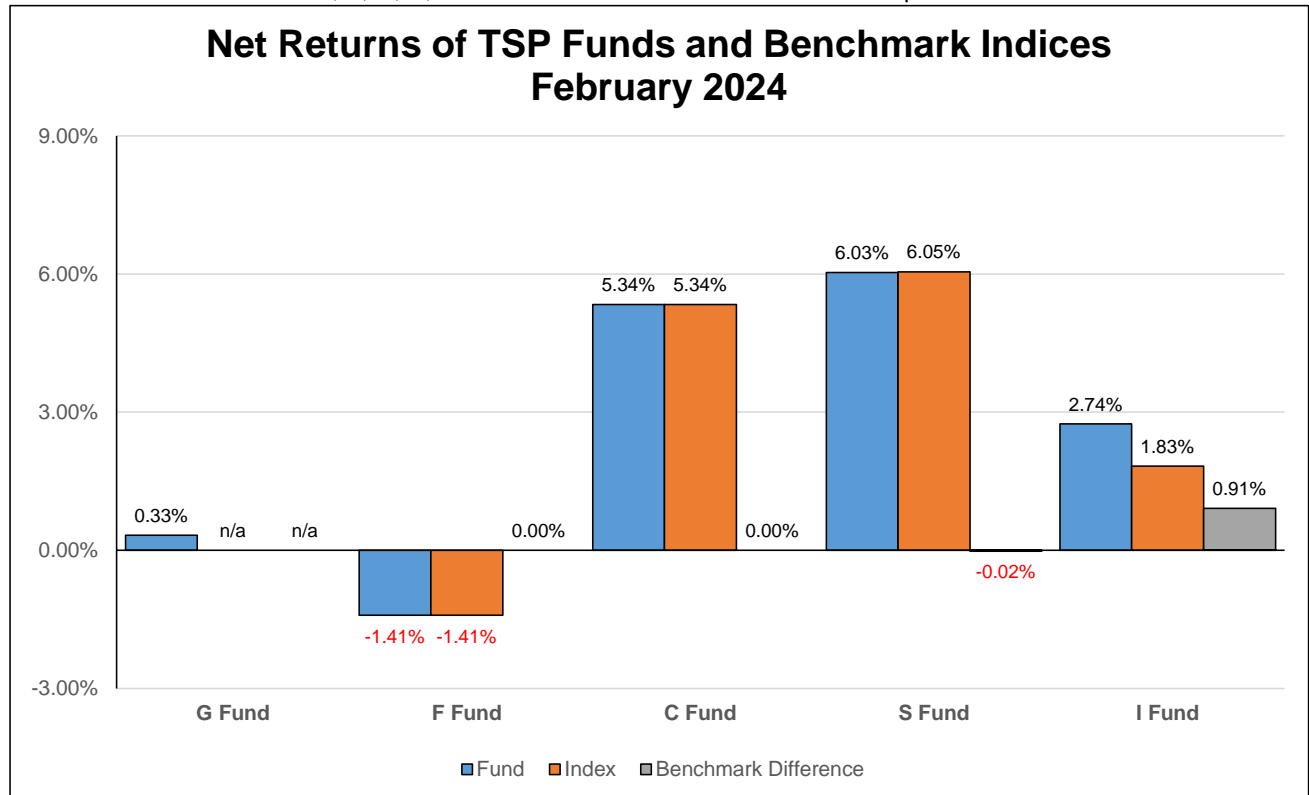
	1-Year	3-Year	5-Year	10-Year
S Fund	18.93%	-0.22%	9.13%	8.64%
Dow Jones US Completion TSM Index	18.70%	-0.44%	9.03%	8.40%
Benchmark Difference	0.23%	0.23%	0.10%	0.24%

	1-Year	3-Year	5-Year	10-Year
I Fund	15.19%	4.79%	7.12%	4.75%
MSCI EAFE Index	14.41%	4.45%	6.77%	4.39%
Benchmark Difference	0.77%	0.34%	0.35%	0.36%

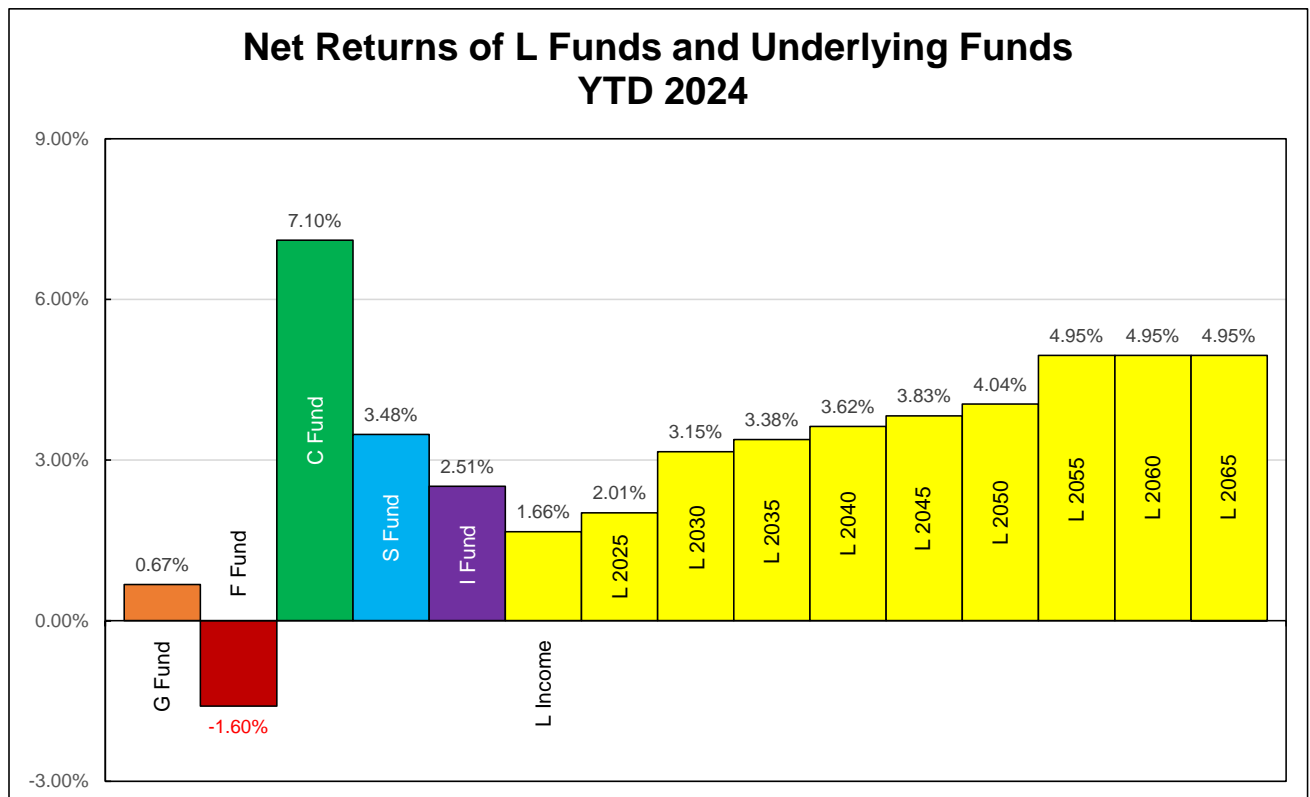
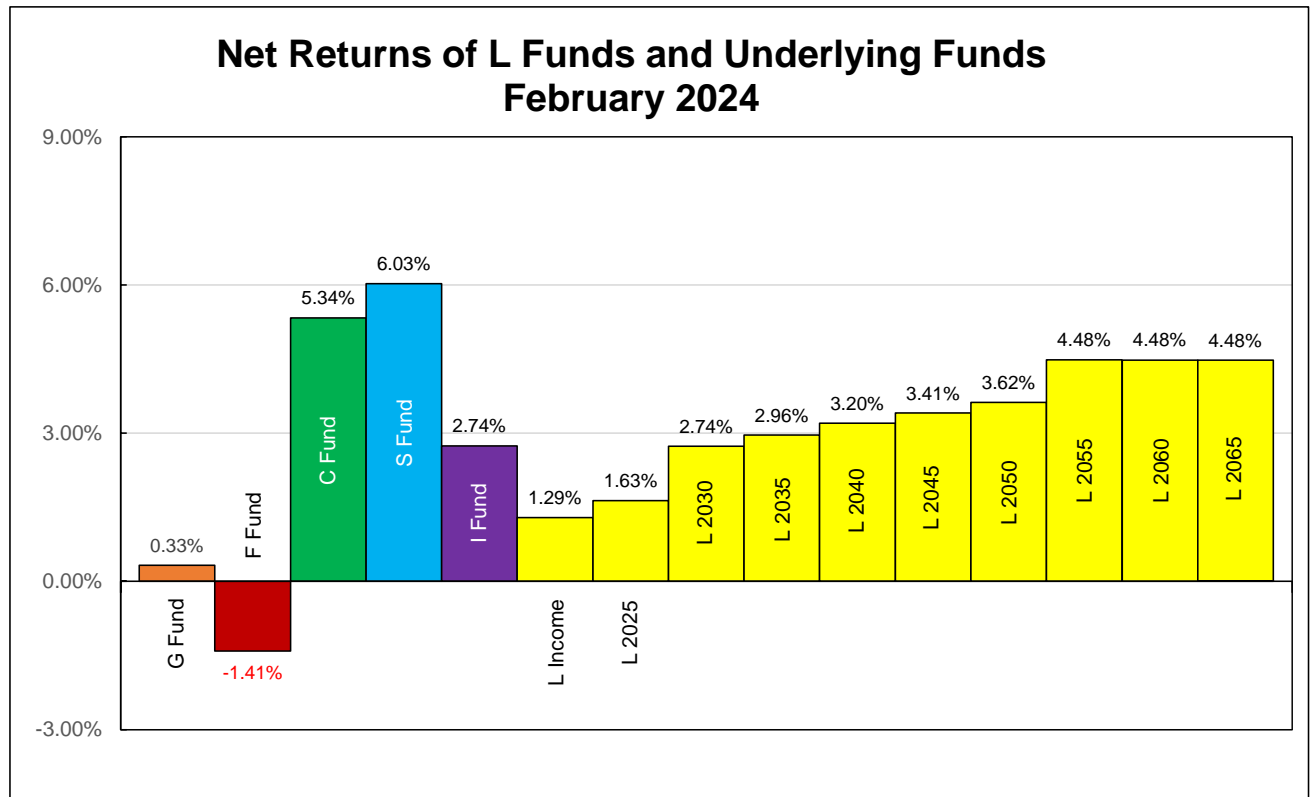
	1-Year	3-Year	5-Year	10-Year
L Income Fund	8.96%	4.17%	4.61%	4.10%
L 2025 Fund	10.93%	4.74%	N/A	N/A
L 2030 Fund	15.64%	5.88%	8.03%	6.98%
L 2035 Fund	16.75%	6.07%	N/A	N/A
L 2040 Fund	17.87%	6.27%	8.99%	7.73%
L 2045 Fund	18.81%	6.40%	N/A	N/A
L 2050 Fund	19.78%	6.59%	9.78%	8.34%
L 2055 Fund	23.25%	7.66%	N/A	N/A
L 2060 Fund	23.25%	7.65%	N/A	N/A
L 2065 Fund	23.25%	7.65%	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.

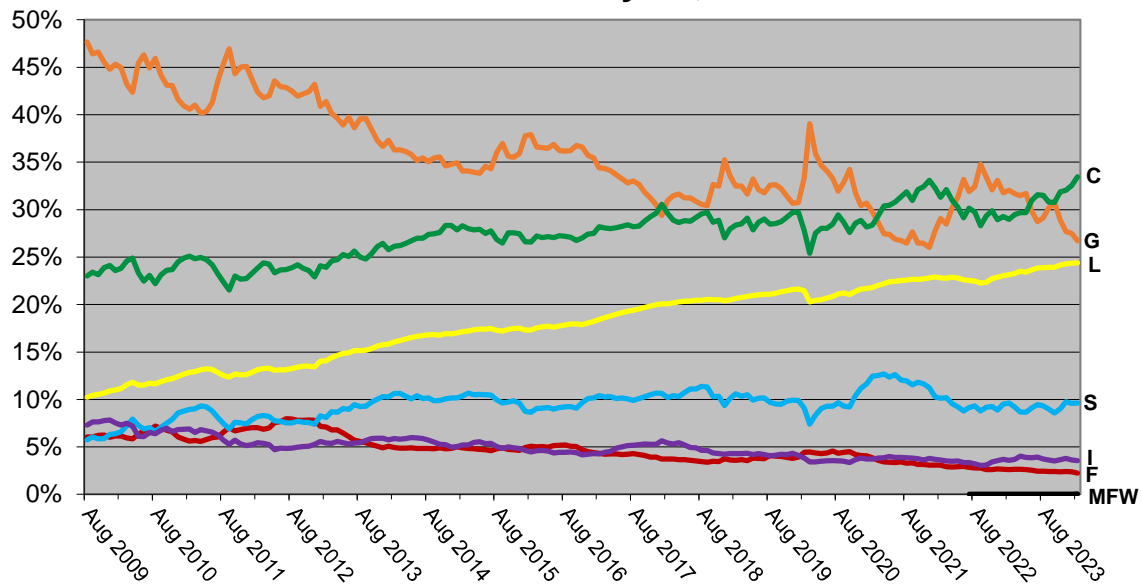


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



Asset Allocation

Participant Asset Allocation History as of February 29, 2024

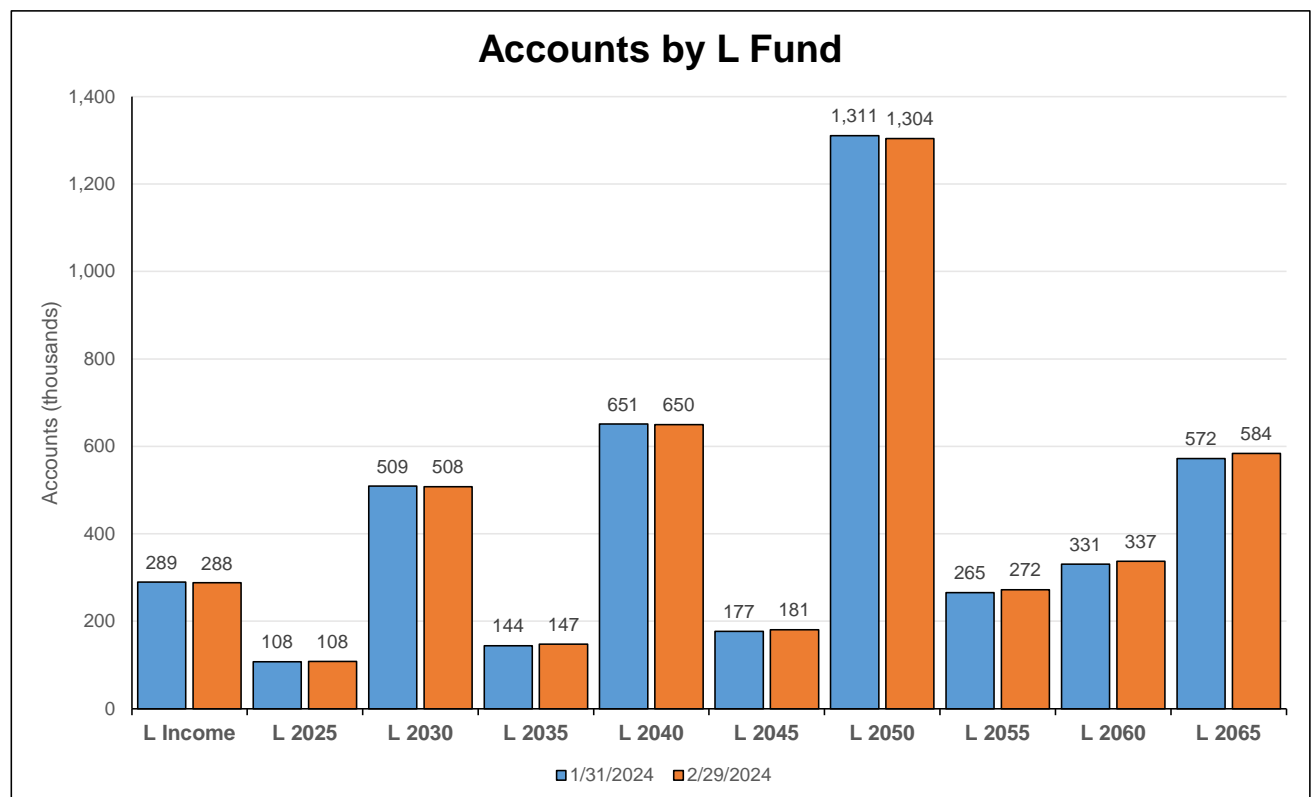
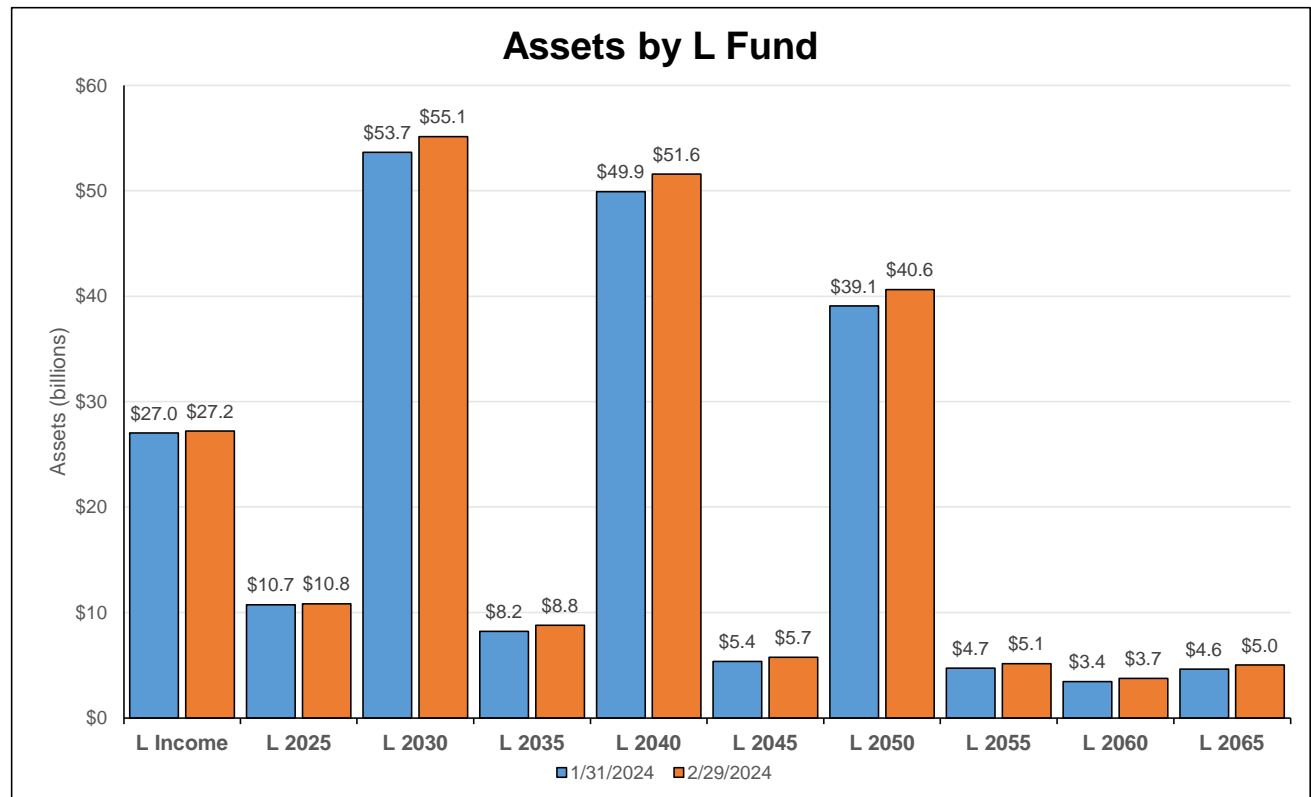


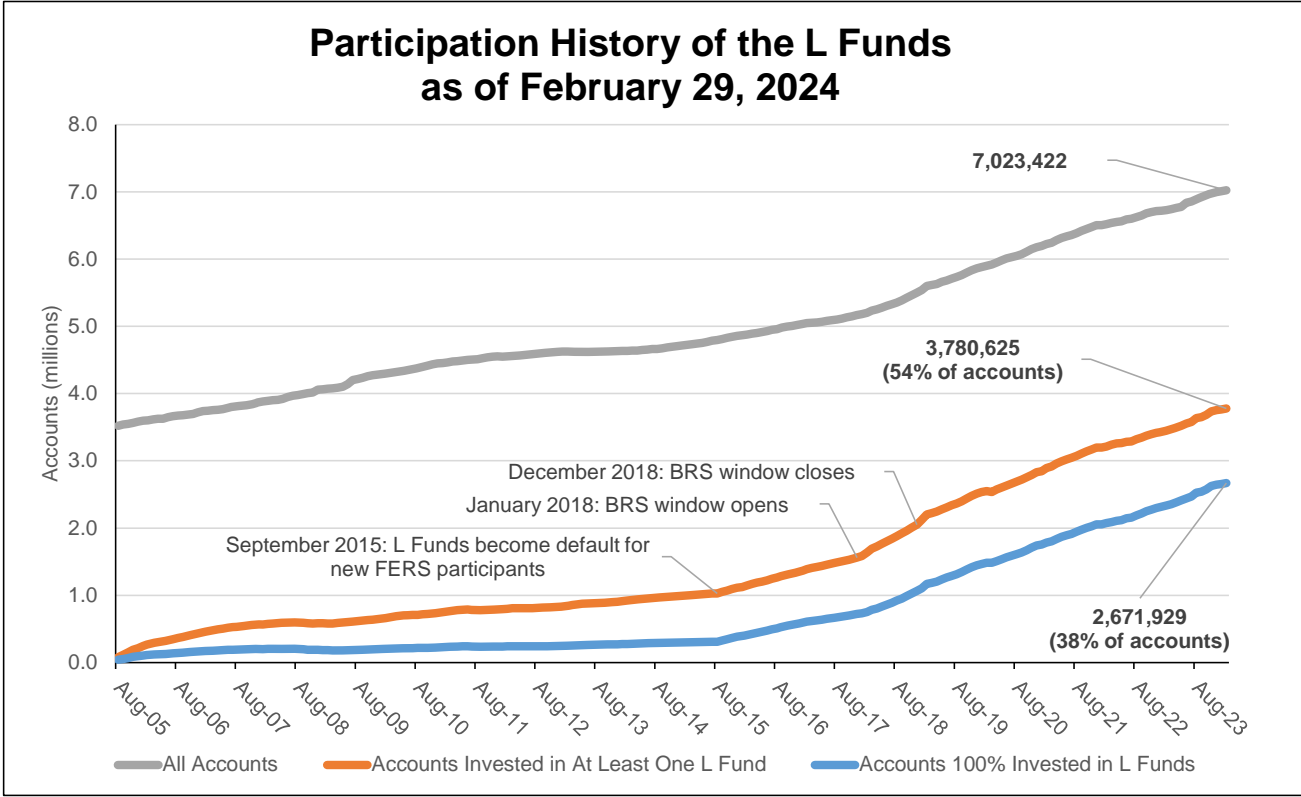
Asset Allocation as of February 29, 2024

	<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>
G Fund	\$234.3	26.7%	\$296.7	33.8%
F Fund	\$19.7	2.2%	\$32.9	3.8%
C Fund	\$293.5	33.5%	\$364.9	41.6%
S Fund	\$84.3	9.6%	\$102.9	11.7%
I Fund	\$31.2	3.6%	\$79.4	9.0%
L Funds	\$213.8	24.4%	n/a	n/a
<u>MFW</u>	<u>\$0.3</u>	<u>0.0%</u>	<u>\$0.3</u>	<u>0.0%</u>
Total	\$877.2	100.0%	\$877.2	100.0%

*Components may not sum to totals due to rounding.

Lifecycle (L) Funds





Interfund Transfer Activity

