



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 *SMC*

DATE: April 22, 2025

SUBJECT: March 2025 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.

March 2025 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	0.04	-5.63	-7.94	-0.33
	BlackRock	0.05	-5.64	-7.92	0.02
	State Street	0.04	-5.63	-7.92	0.04
	TSP Fund (Net)	0.04	-5.64	-7.92	0.02
Benchmark Difference (%)	BlackRock	0.01	0.00	0.03	0.34
	State Street	0.00	0.00	0.02	0.36
	TSP Fund	0.01	-0.01	0.02	0.35

BlackRock’s performance for the F and C Funds was in line with their respective indices for the month. Its performance for the S Fund was ahead of the Small Mid Cap Index by three basis points, primarily due to futures mistracking. For the I Fund, BlackRock was ahead of the International Index by 34 basis points, primarily due to fair value pricing.

State Street’s performance for the F, C, and S Funds was in line with the respective indices for the month. Its performance for the I Fund was 36 basis points ahead of the International Index, primarily due to fair value pricing.

2025 YTD Returns and Benchmark Differences

		<u>Fixed Income</u>	<u>Large Cap</u>	<u>Small Mid</u>	<u>International</u>
		<u>(F Fund)</u>	<u>(C Fund)</u>	<u>Cap (S Fund)</u>	<u>(I Fund)</u>
Return (%)	Index	2.78	-4.27	-8.95	3.78
	BlackRock	2.78	-4.27	-8.93	4.66
	State Street	2.79	-4.27	-8.91	4.65
	TSP Fund (Net)	2.77	-4.28	-8.94	4.65
Benchmark Difference (%)	BlackRock	0.00	0.00	0.02	0.88
	State Street	0.01	0.00	0.04	0.87
	TSP Fund	-0.01	-0.01	0.01	0.87

Year-to-date, BlackRock's performance for the F, C, and S Funds was in line with their respective indices. Its performance for the I Fund exceeded the International Index by 88 basis points, primarily due to fair value pricing.

Year-to-date, State Street's performance for the F and C Funds was in line with their respective indices. Its performance for the S Fund was ahead of the Small Mid Cap Index by four basis points, primarily due to securities sampling. For the I Fund, State Street was ahead of the International Index by 87 basis points, primarily due to fair value pricing.

TSP Net Returns as of March 31, 2025

	1-Year	3-Year	5-Year	10-Year
G Fund	4.47%	4.10%	2.93%	2.59%

	1-Year	3-Year	5-Year	10-Year
F Fund	4.92%	0.57%	-0.31%	1.60%
Bloomberg US Agg Bond Index	4.88%	0.52%	-0.40%	1.46%
Benchmark Difference	0.04%	0.06%	0.09%	0.13%

	1-Year	3-Year	5-Year	10-Year
C Fund	8.20%	9.02%	18.56%	12.48%
S&P 500 Index	8.25%	9.06%	18.59%	12.50%
Benchmark Difference	-0.05%	-0.04%	-0.03%	-0.02%

	1-Year	3-Year	5-Year	10-Year
S Fund	-0.41%	2.72%	15.21%	7.94%
Dow Jones US Completion TSM Index	-0.50%	2.53%	15.05%	7.73%
Benchmark Difference	0.09%	0.20%	0.17%	0.21%

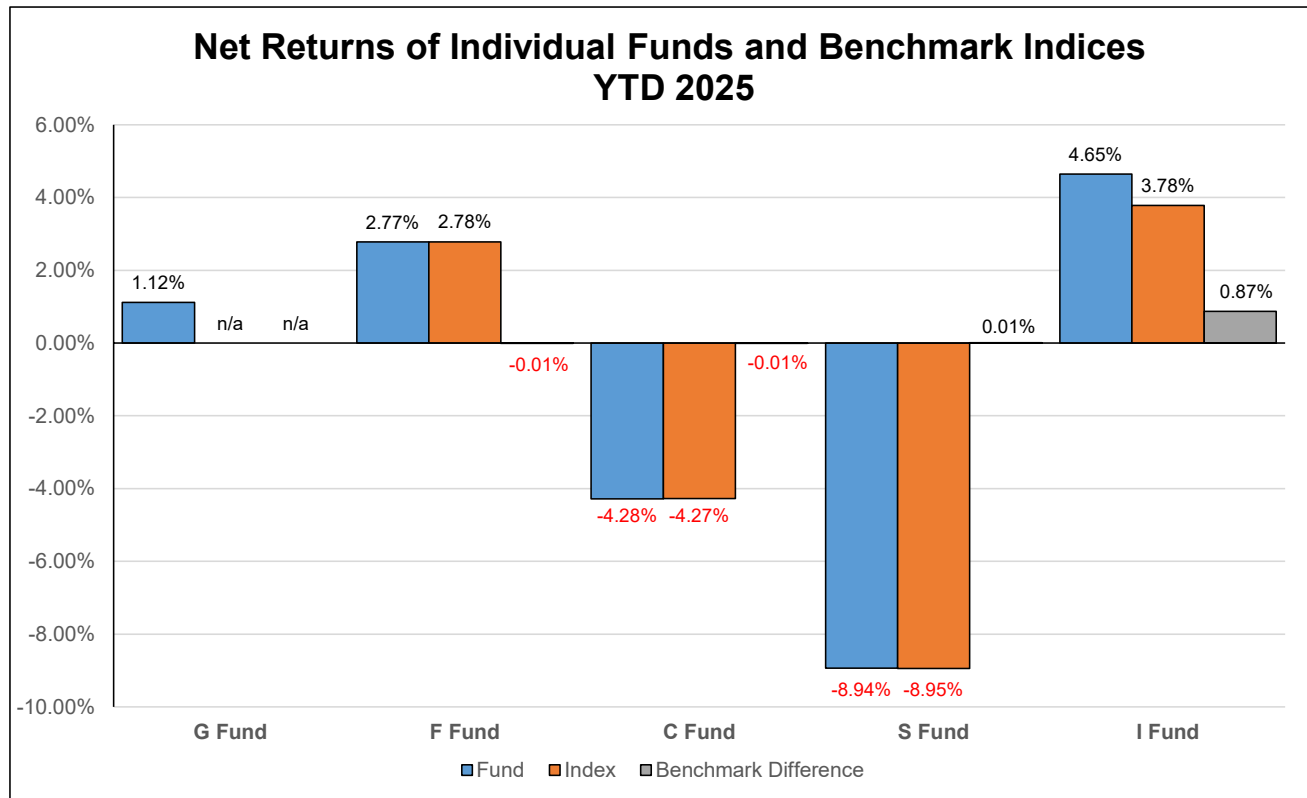
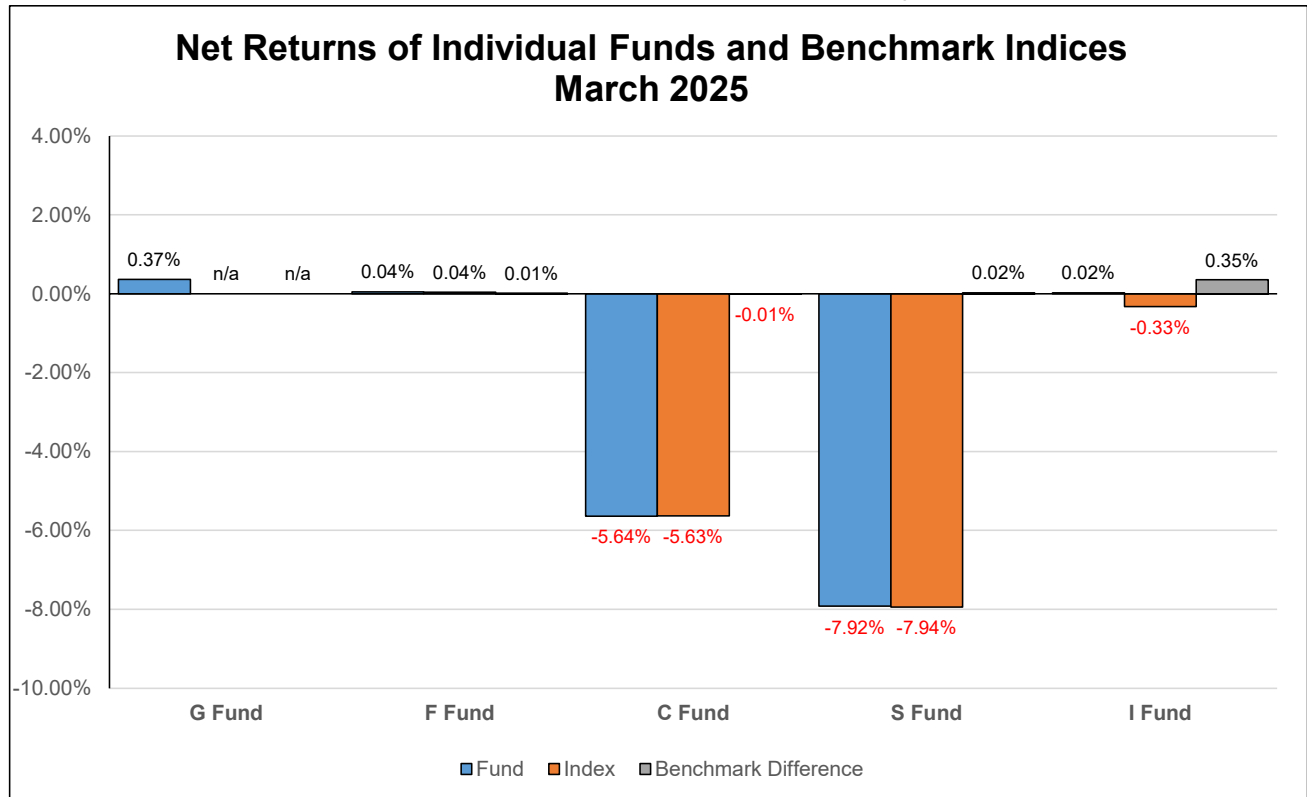
	1-Year	3-Year	5-Year	10-Year
I Fund	2.98%	6.04%	11.63%	5.53%
International Index*	2.22%	5.15%	11.20%	5.12%
Benchmark Difference	0.76%	0.89%	0.43%	0.40%

* MSCI EAFE through July 31, 2024; MSCI ACWI IMI ex USA ex China ex Hong Kong thereafter.

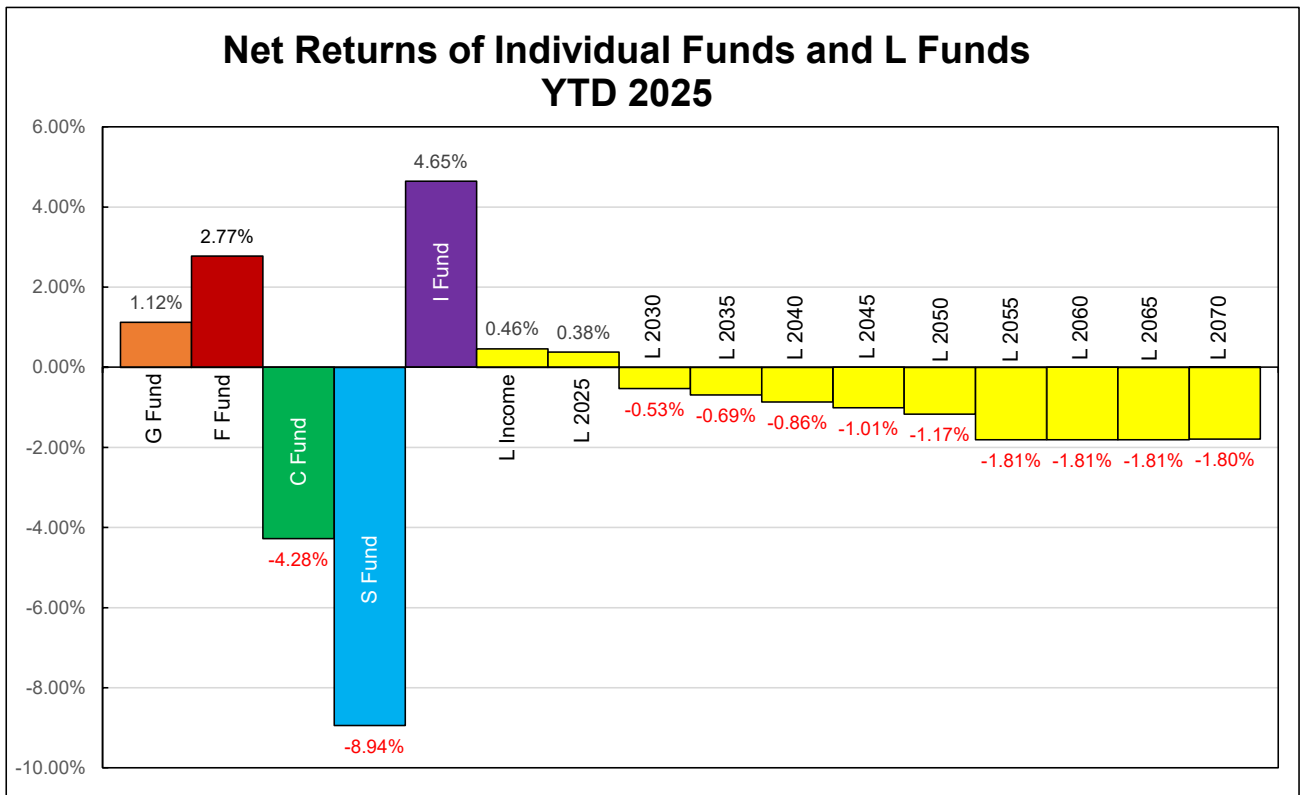
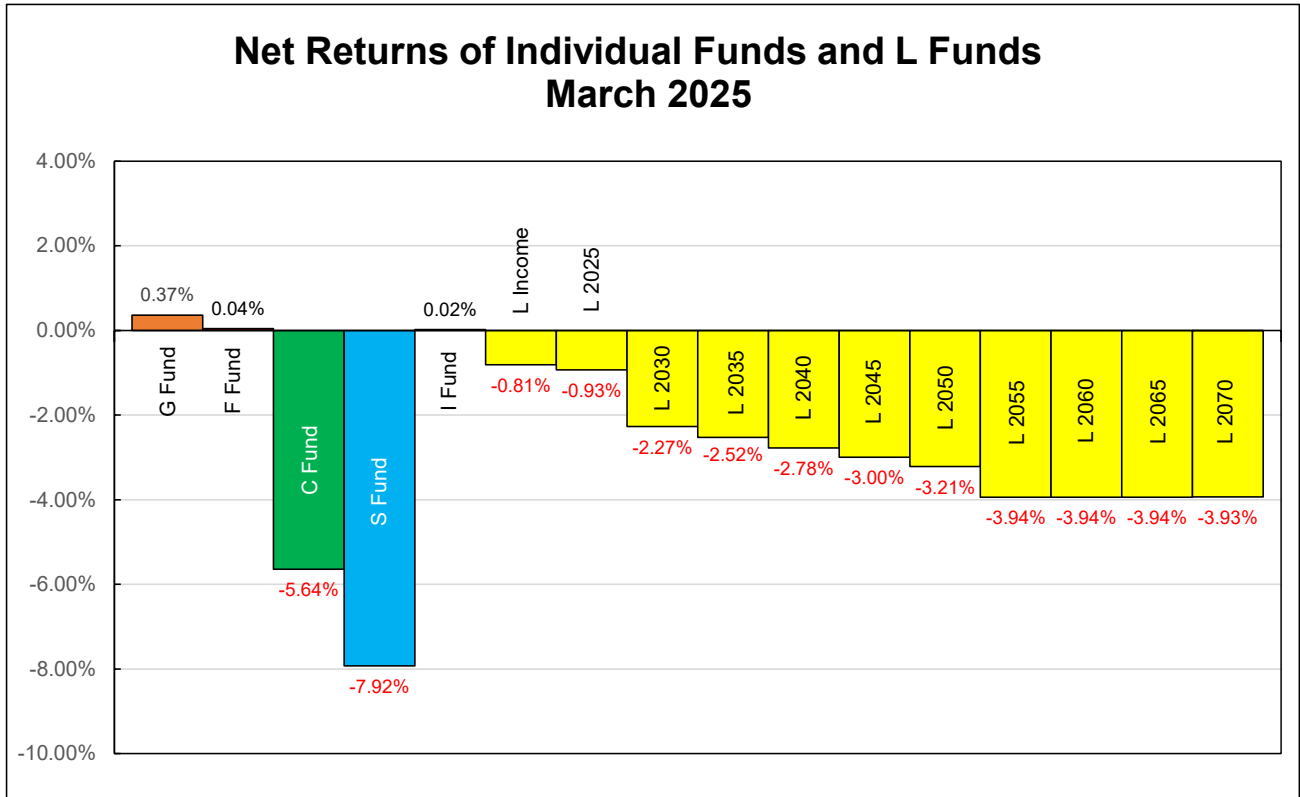
	Inception Date	1-Year	3-Year	5-Year	10-Year
L Income Fund	August 1, 2005	4.90%	5.04%	5.85%	4.30%
L 2025 Fund	July 1, 2020	5.08%	4.99%	N/A	N/A
L 2030 Fund	August 1, 2005	5.27%	6.12%	10.69%	7.05%
L 2035 Fund	July 1, 2020	5.30%	6.25%	N/A	N/A
L 2040 Fund	August 1, 2005	5.33%	6.39%	12.13%	7.78%
L 2045 Fund	July 1, 2020	5.35%	6.49%	N/A	N/A
L 2050 Fund	January 31, 2011	5.36%	6.61%	13.38%	8.40%
L 2055 Fund	July 1, 2020	5.35%	7.24%	N/A	N/A
L 2060 Fund	July 1, 2020	5.35%	7.23%	N/A	N/A
L 2065 Fund	July 1, 2020	5.35%	7.23%	N/A	N/A
L 2070 Fund	July 26, 2024	N/A	N/A	N/A	N/A

Performance of TSP Funds

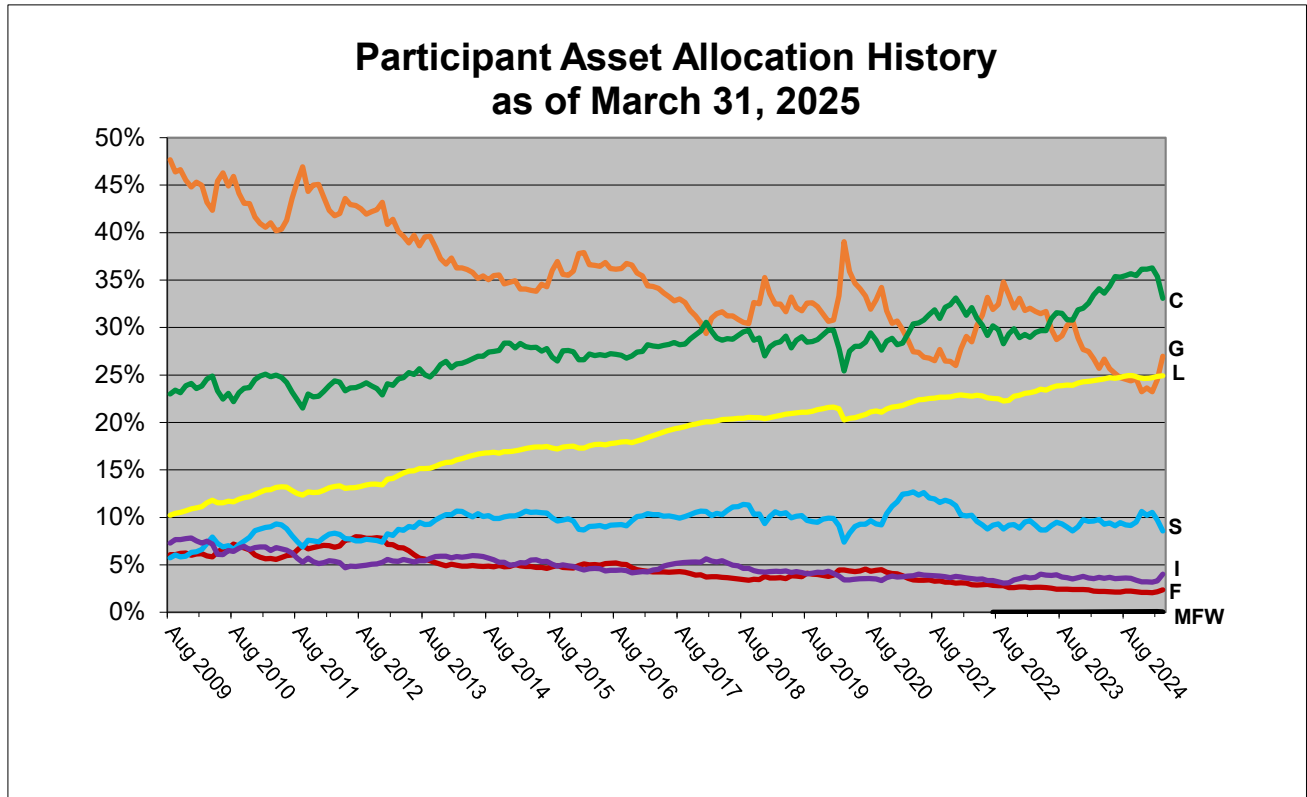
The charts below show the G, F, C, S, and I Fund net rates of return vs. their respective benchmark indices.



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

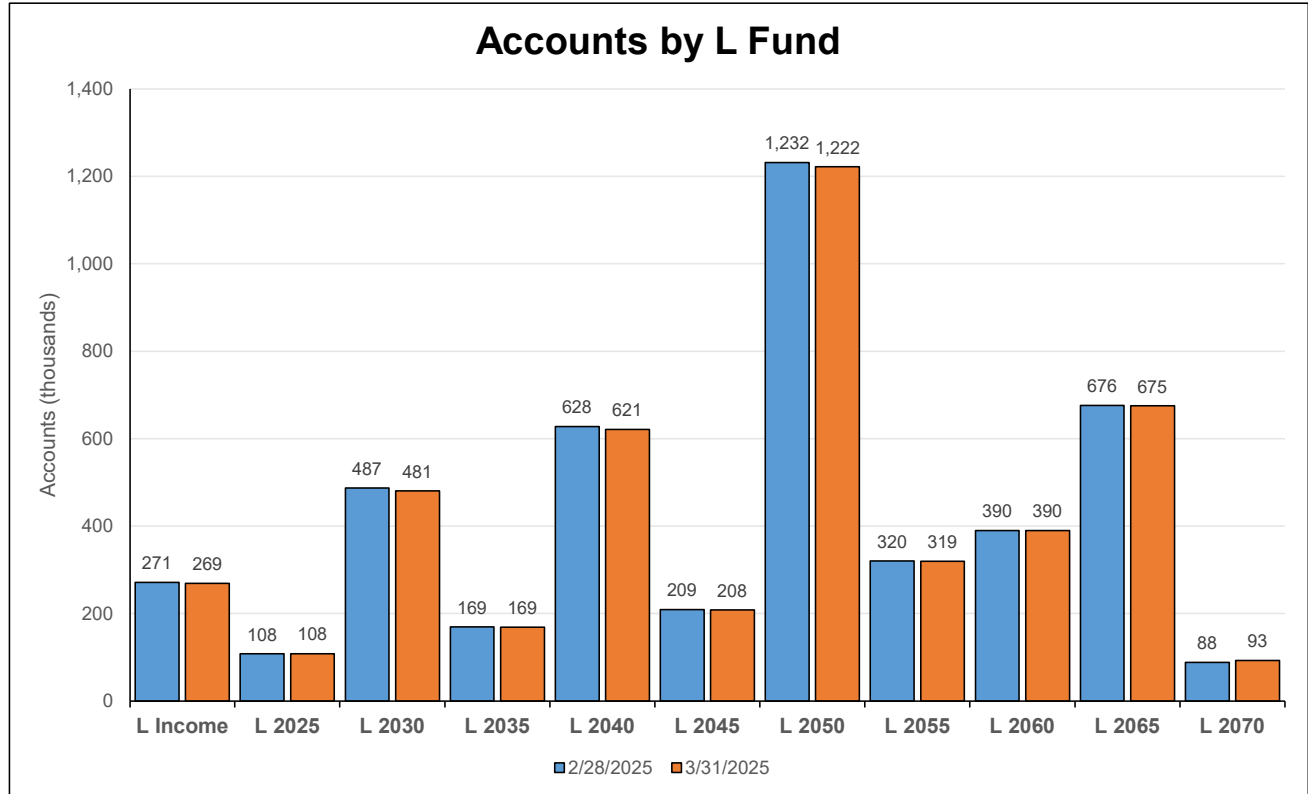
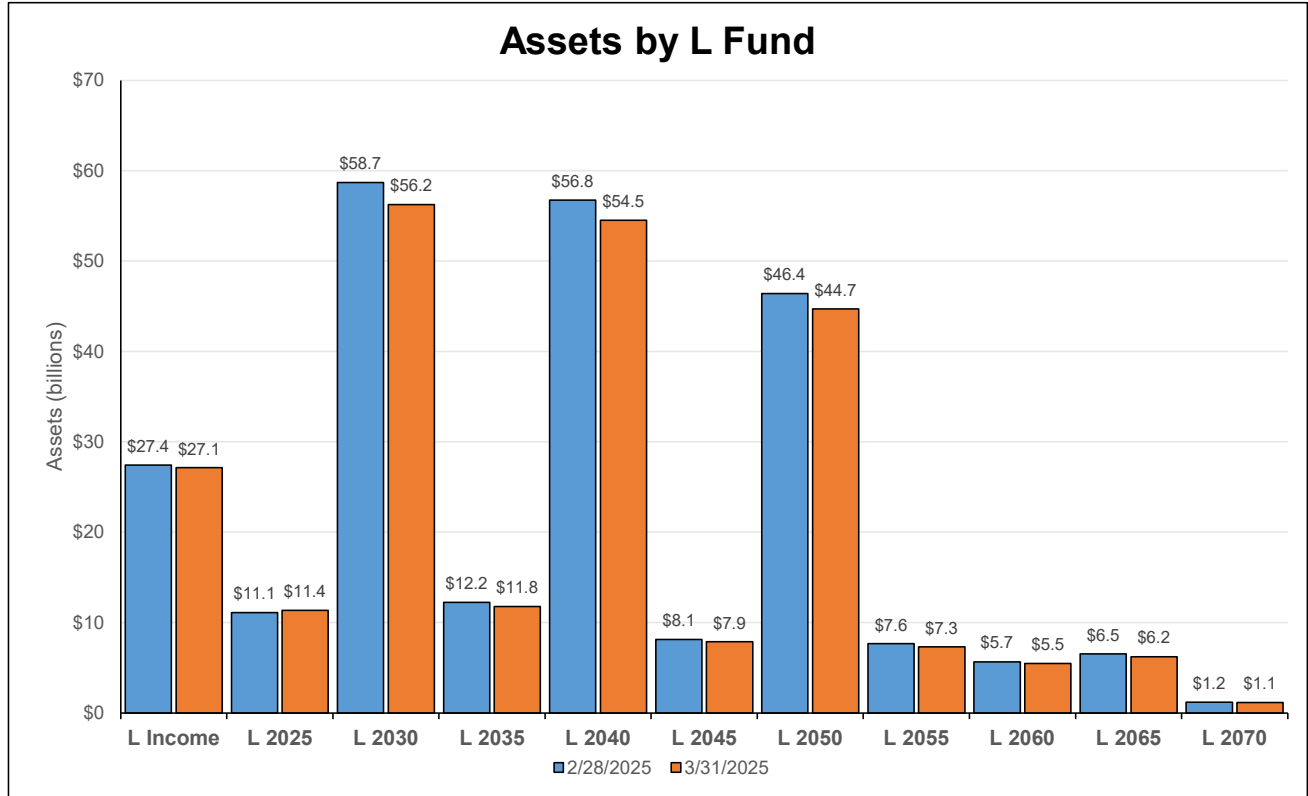


Asset Allocation as of March 31, 2025

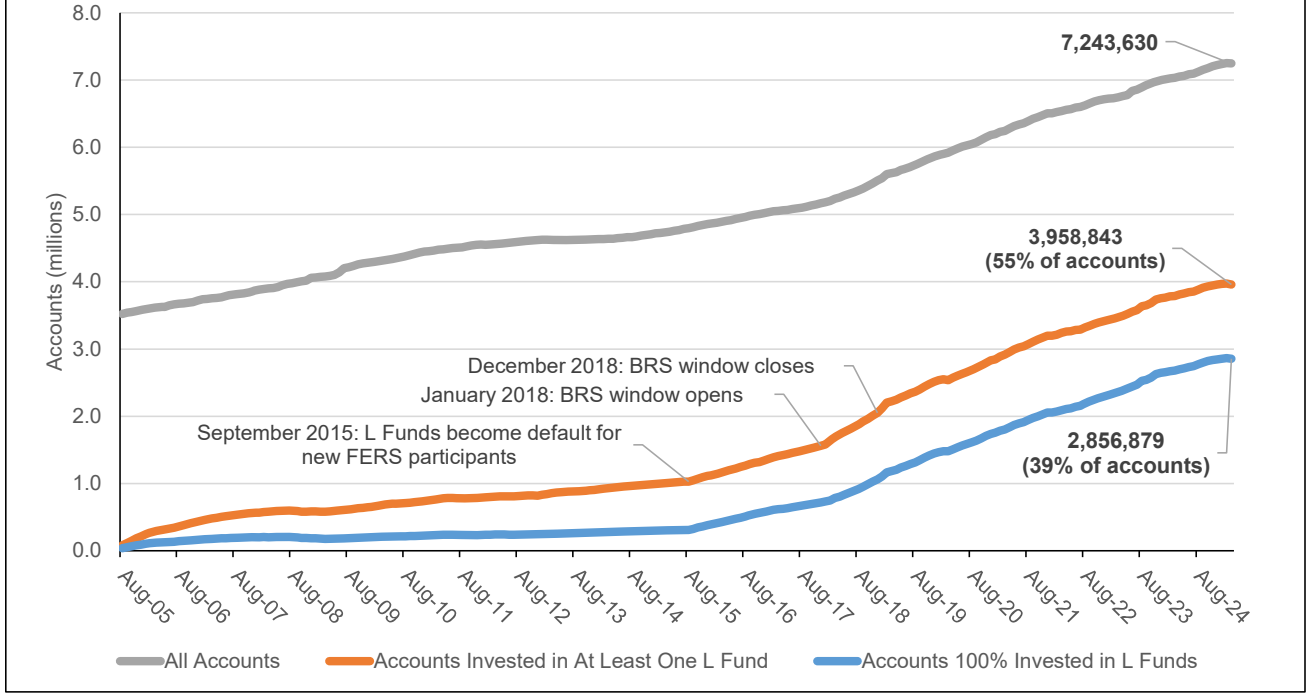
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets (Billions)</u>	<u>Share of Total</u>	<u>Assets (Billions)</u>	<u>Share of Total</u>
G Fund	\$252.9	27.0%	\$319.3	34.1%
F Fund	\$22.2	2.4%	\$35.9	3.8%
C Fund	\$310.0	33.1%	\$390.3	41.6%
S Fund	\$80.2	8.6%	\$100.3	10.7%
I Fund	\$37.7	4.0%	\$91.0	9.7%
L Funds	\$233.7	24.9%	n/a	n/a
<u>MFW</u>	<u>\$0.5</u>	<u>0.1%</u>	<u>\$0.5</u>	<u>0.1%</u>
Total	\$937.2	100.0%	\$937.2	100.0%

*Components may not sum to totals due to rounding.

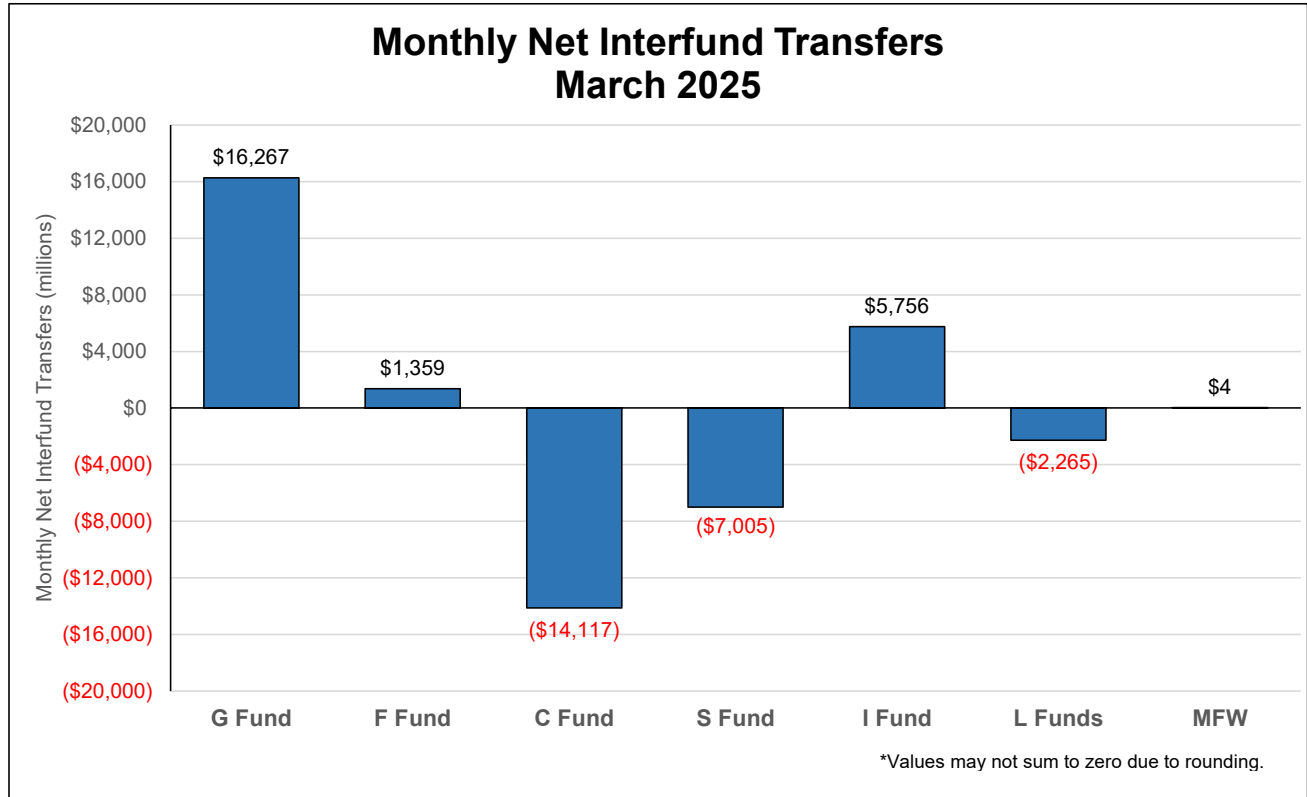
Lifecycle (L) Funds



Participation History of the L Funds as of March 31, 2025



Interfund Transfer Activity



PROXY VOTING – FOURTH QUARTER 2024

An audit of BlackRock's proxy voting conducted by ISS found no exceptions to BlackRock's established guidelines during the fourth quarter of 2024. Likewise, an audit of State Street's proxy voting conducted by ISS found no exceptions to State Street's established guidelines during the fourth quarter of 2024. Copies of the audit reports are provided in this report as Attachments 1 and 2. The ISS audit reports for the first quarter of 2025 are not yet available.

CLASS ACTION SETTLEMENTS – FOURTH QUARTER 2024

BlackRock began the fourth quarter with 91 open claims. During the quarter, 33 claims were opened: 10 claims in the C Fund and 23 claims in the S Fund. Fifteen claims were closed during the quarter. One claim in the F Fund was closed due to administrator action. Three claims in the C Fund and nine claims in the S Fund were settled for \$483,337 and \$455,738, respectively. Two claims in the S Fund were closed due to administrator action. Seven previously closed claims in the C Fund and thirteen previously closed claims in the S Fund yielded residual payments of \$78,683 and \$166,499, respectively, bringing total proceeds for the quarter to \$1,184,258. One hundred nine claims remained open at the end of the quarter.

	<u>Open at Start of Quarter</u>	<u>Opened During Quarter</u>	<u>Closed During Quarter</u>	<u>Open Claims Outstanding</u>	<u>Total of Settled Claims in 2024</u>
F Fund	5	-	1	4	\$16,338
C Fund	23	10	3	30	\$2,932,384
S Fund	60	23	11	72	\$7,718,765
I Fund	3	-	-	3	\$11,866
Total	91	33	15	109	\$10,679,353

State Street began the fourth quarter with 32 open claims. Two claims were opened in the C Fund and nineteen claims were opened in the S Fund. One claim in the C Fund and one claim in the S Fund were closed due to administrator action. Two claims in the S Fund were settled for \$55,405. Forty-nine claims remained opened at the end of the quarter.

	<u>Open at Start of Quarter</u>	<u>Opened During Quarter</u>	<u>Closed During Quarter</u>	<u>Open Claims Outstanding</u>	<u>Total of Settled Claims in 2024</u>
F Fund	-	-	-	-	\$0
C Fund	4	2	1	5	\$0
S Fund	28	19	3	44	\$96,182
I Fund	-	-	-	-	\$0
Total	32	21	4	49	\$96,182

ATTACHMENTS

Attachment 1: Audit Report on BlackRock's Proxy Voting in the Fourth Quarter of 2024

Attachment 2: Audit Report on State Street's Proxy Voting in the Fourth Quarter of 2024



January 15, 2025

Mr. John Roe
Managing Director
BlackRock Investment Stewardship
BlackRock
50 Hudson Yards
New York, NY 10001

Dear John,

Enclosed are the results of our review of US proxy votes by BlackRock for the 4th quarter of 2024. Our review found that there were no exceptions to policy over this period.

Best regards,

 Recoverable Signature

 Andrew E. Linberg

Signed by: FA43D0FA81CF4ED79386D58F2938A531

Andrew E. Linberg
Head of Custom Research – Americas

INSTITUTIONAL SHAREHOLDER SERVICES INC.

702 King Farm Boulevard Suite 400
Rockville, MD 20850

ISSGOVERNANCE.COM



MEMORANDUM

The results of our review of BlackRock's 4th quarter proxy voting for US meetings are as follows:

- Votes at 45 meetings were examined.
- Votes at 21 of the 45 meetings were for directors, auditors, and/or management say-on-pay (MSOP) only.
- At the 24 remaining meetings, there were 42 non-director/auditor/MSOP proposals.

The following table illustrates the votes involved by proposal type:

Proposal	Votes
Executive stock plan	11
Employee share purchase plan	1
Advisory vote on golden parachute compensation	7
Frequency vote on MSOP	3
Reverse stock split	4
Issue shares for private placement	2
Approve issuance of common stock pursuant to convertible preferred stock	1
Approve issuance of common stock upon exercise of outstanding warrants	1
Approve issuance of common stock upon conversion of convertible debt	1
Approve issuance of common stock upon conversion of notes pursuant to purchase agreement	1
Approve merger agreement	7
Approve plan of liquidation	1
Adjourn meeting	11
Amend articles	1
Total:	52

INSTITUTIONAL SHAREHOLDER SERVICES INC.

702 King Farm Boulevard Suite 400
Rockville, MD 20850

- There were 11 votes cast on executive stock plans:
 - a) 10 votes were cast in favor of the plans (90.9 percent);
 - b) 1 vote was cast against the plans (9.1 percent) due to the presence of an evergreen provision.

- There was 1 vote cast on an employee share purchase plan; the vote was cast in favor of the plan.

- There were 8 votes cast on mergers, acquisitions and/or major corporate transactions, including a plan of liquidation; the votes were cast in favor of the transactions.

- There were 25 votes cast on management advisory votes on executive compensation; the votes were cast in favor of the advisory votes.

- There were 7 votes cast on management advisory vote on golden parachute compensation; the votes were cast in favor of the advisory votes.

There were no exceptions to policy this period.



April 7, 2025

Mr. Benjamin Colton
Global Co-Head of Asset Stewardship
State Street Global Advisors
State Street Financial Center
One Iron Street
Boston, MA 02210

Dear Benjamin,

The Custom Research team has completed its Q4 2024 audit of SSgA vote recommendations. We examined 25 US and International meetings, containing a total of 230 agenda items. In reviewing these items against the SSgA policy document, we identified zero (0) errors in the application of SSgA's policy (for an overall error rate of 0.0%).

Please feel free to contact us should you have any questions.

Sincerely,

Adam Lee

Adam Lee
Associate Director, Custom Research