



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: August 26, 2025

SUBJECT: July 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.

July 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	-0.26%	2.24%	2.54%	-0.75%
	BlackRock	-0.25%	2.24%	2.52%	-1.57%
	State Street	-0.25%	2.25%	2.55%	-1.25%
	TSP Fund (Net)	-0.25%	2.24%	2.53%	-1.52%
Benchmark Difference	BlackRock	0.02%	0.00%	-0.01%	-0.82%
	State Street	0.01%	0.00%	0.01%	-0.50%
	TSP Fund	0.01%	0.00%	-0.01%	-0.77%

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 lagged the International Index by 82 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 lagged the International Index by 50 basis points, primarily due to fair value pricing.

2025 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	3.75%	8.59%	4.71%	17.00%
	BlackRock	3.77%	8.58%	4.69%	16.92%
	State Street	3.79%	8.58%	4.78%	16.92%
	TSP Fund (Net)	3.76%	8.56%	4.69%	16.89%
Benchmark Difference	BlackRock	0.03%	0.00%	-0.02%	-0.08%
	State Street	0.04%	0.00%	0.07%	-0.08%
	TSP Fund	0.01%	-0.02%	-0.02%	-0.11%

Year-to-date, BlackRock's performance for the F Fund was ahead of the Fixed Income Index's return by 3 basis points, primarily due to securities sampling. Its performance for the C and S Funds was in line with the Funds' respective indices. For the I Fund, BlackRock's performance lagged the International Index by 8 basis points, primarily due to fair value pricing.

Year-to-date, State Street's performance for the F Fund was ahead of the Fixed Income Index's return by 4 basis points, primarily due to interest earned on cash in the Fund. Its performance for the C Fund was in line with the Large Cap Index. For the S Fund, State Street was ahead of the Small Mid Cap Index by 7 basis points, primarily due to securities sampling and securities lending. For the I Fund, State Street lagged the International Index by 8 basis points, primarily due to fair value pricing.

TSP Net Returns as of July 31, 2025

	1-Year	3-Year	5-Year	10-Year
G Fund	4.40%	4.27%	3.18%	2.67%

	1-Year	3-Year	5-Year	10-Year
F Fund	3.39%	1.64%	-0.98%	1.78%
Bloomberg US Agg Bond Index	3.38%	1.64%	-1.07%	1.66%
Benchmark Difference	0.01%	0.01%	0.09%	0.12%

	1-Year	3-Year	5-Year	10-Year
C Fund	16.28%	17.06%	15.85%	13.64%
S&P 500 Index	16.33%	17.10%	15.88%	13.66%
Benchmark Difference	-0.05%	-0.05%	-0.03%	-0.02%

	1-Year	3-Year	5-Year	10-Year
S Fund	11.58%	12.46%	11.00%	9.51%
Dow Jones US Completion TSM Index	11.61%	12.32%	10.83%	9.31%
Benchmark Difference	-0.03%	0.14%	0.17%	0.20%

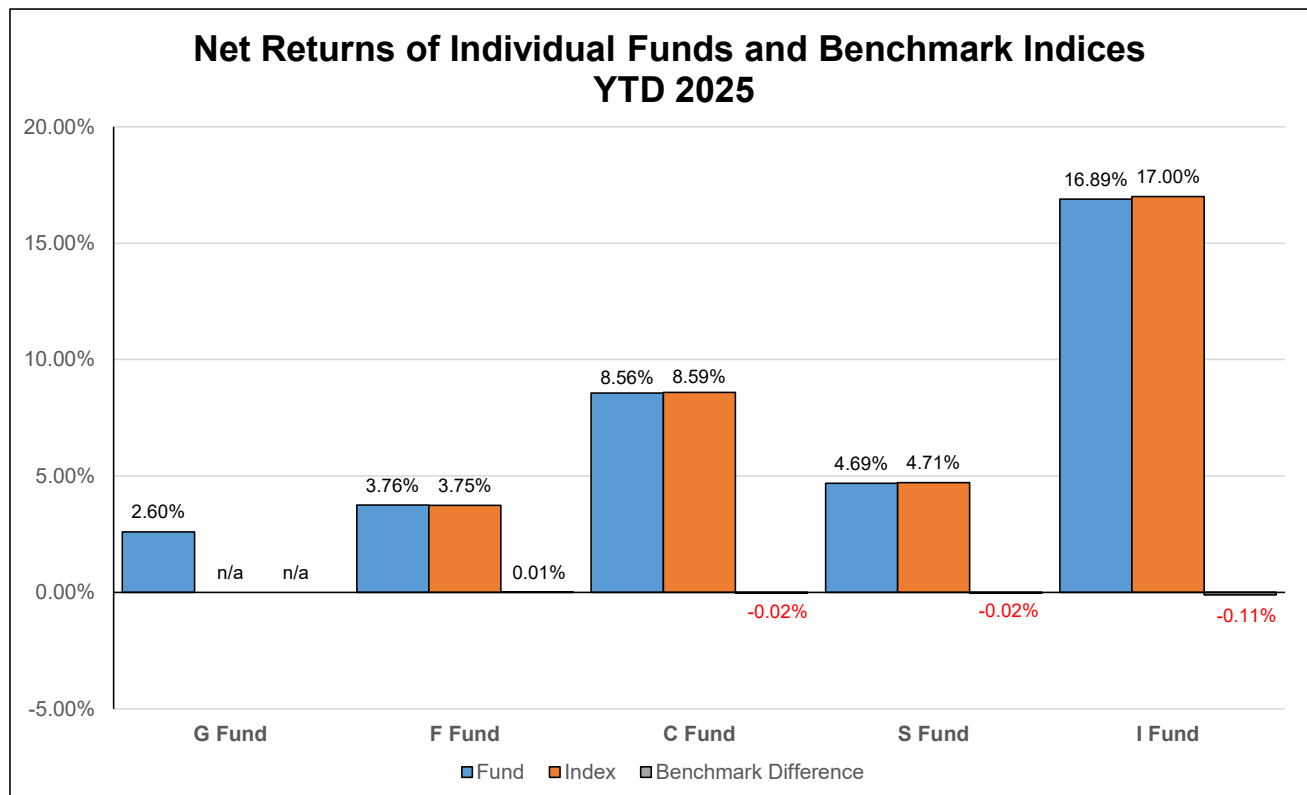
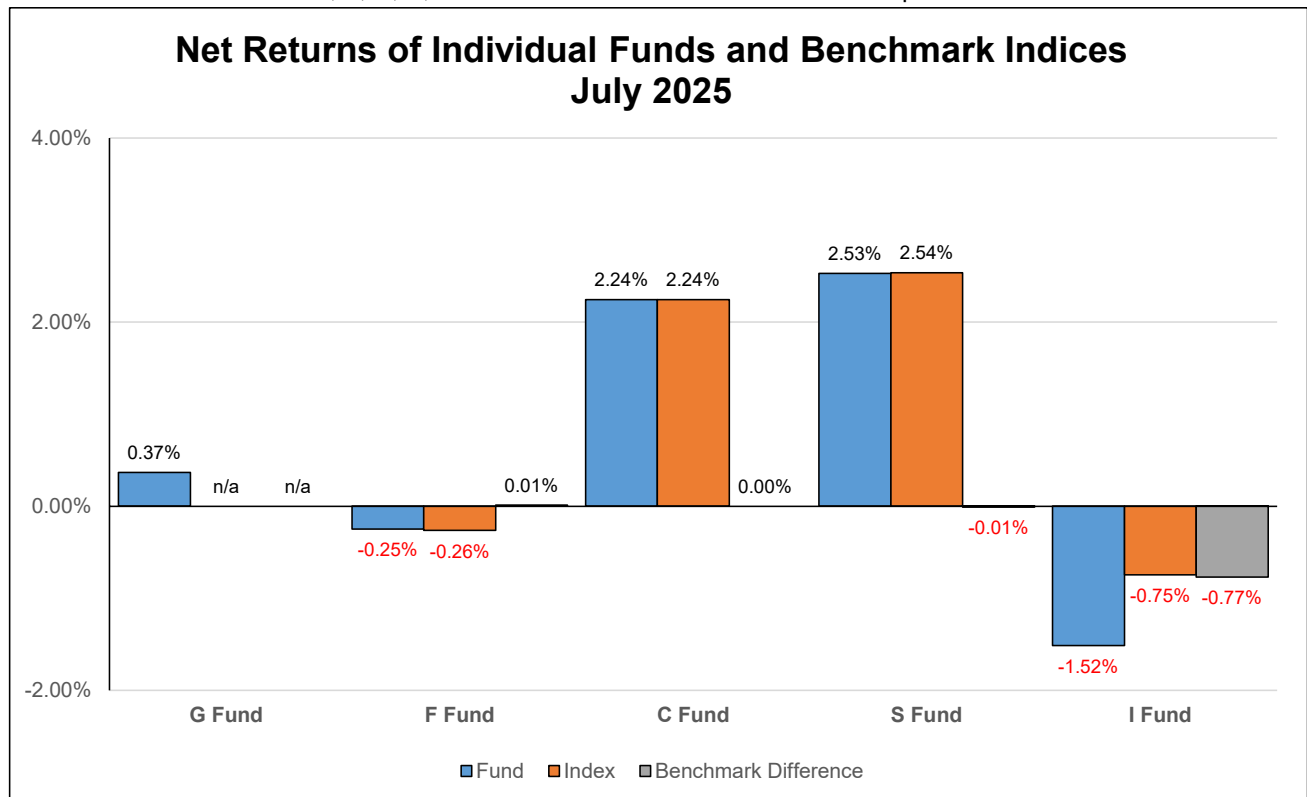
	1-Year	3-Year	5-Year	10-Year
I Fund	11.94%	13.36%	10.47%	6.40%
International Index*	12.43%	13.45%	10.27%	6.11%
Benchmark Difference	-0.49%	-0.10%	0.20%	0.29%

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

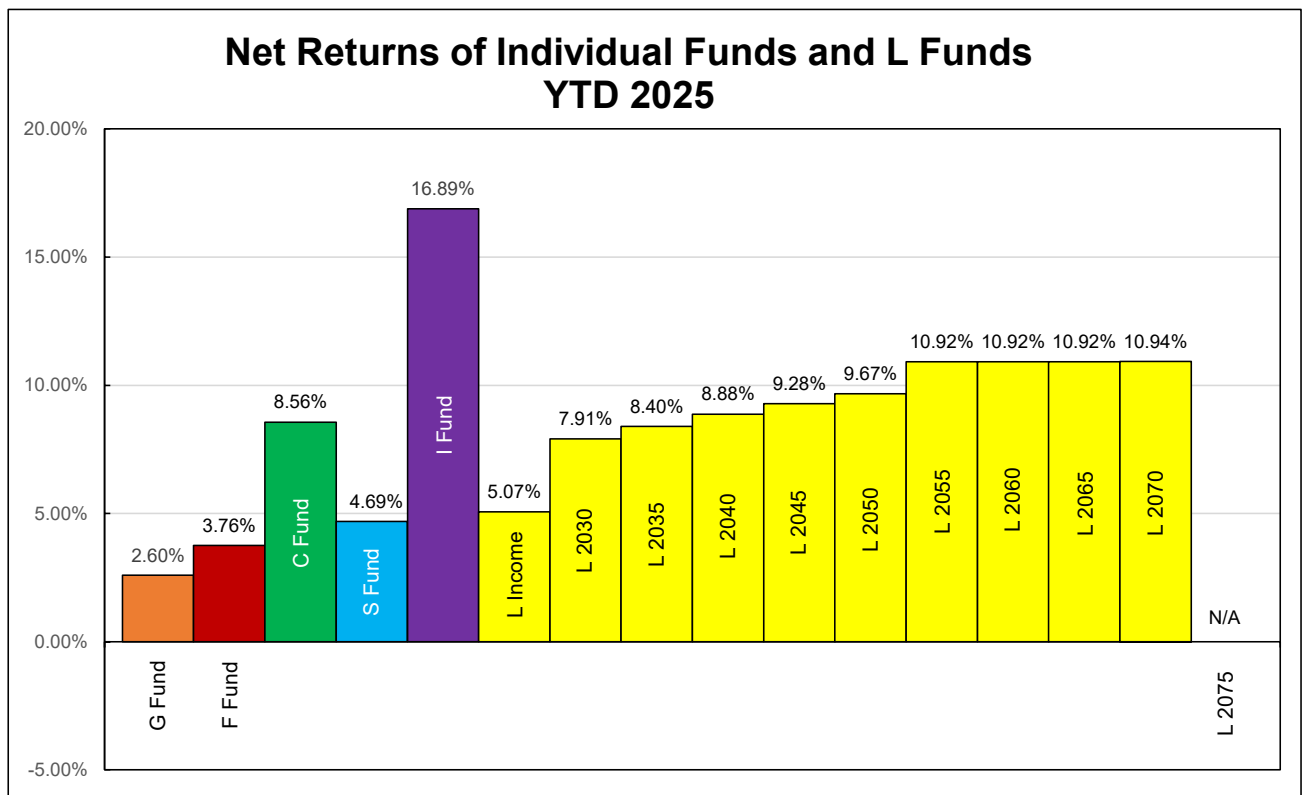
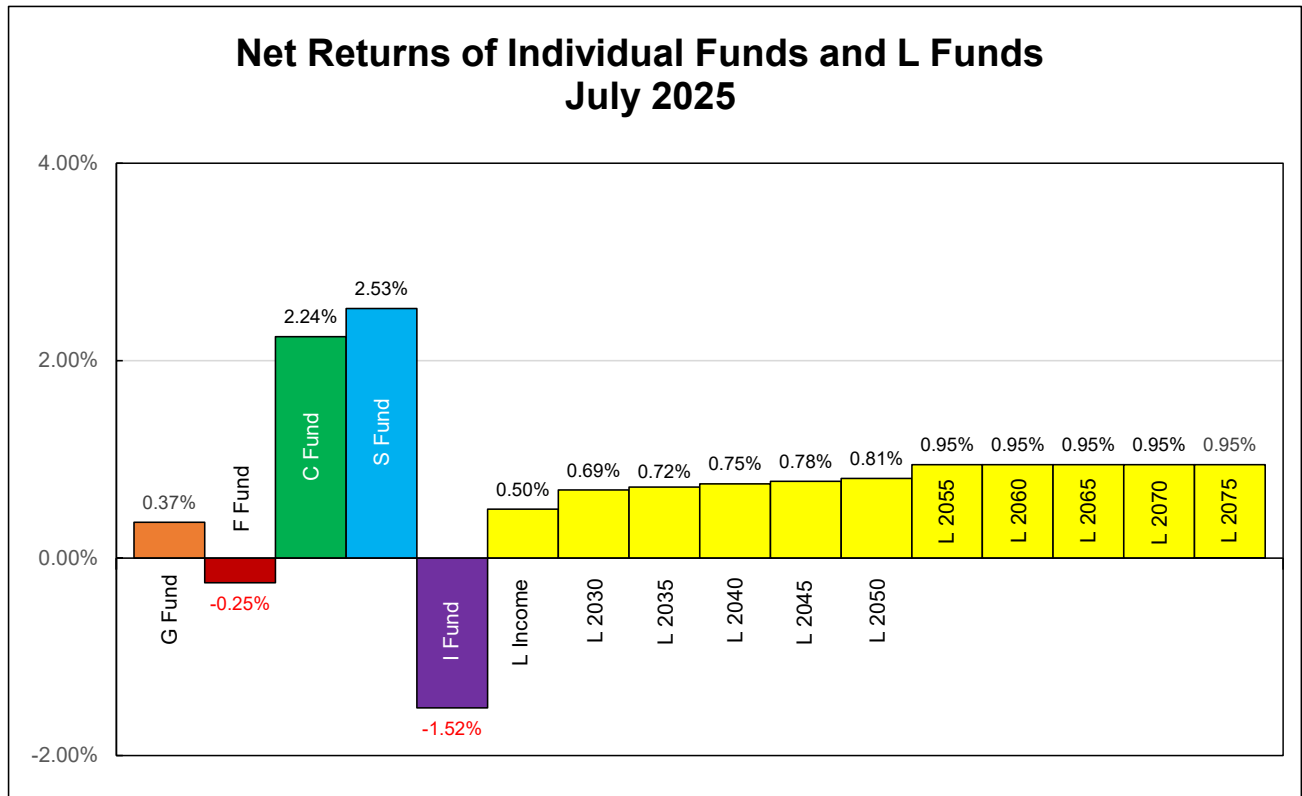
	Inception Date	1-Year	3-Year	5-Year	10-Year
L Income Fund	August 1, 2005	7.22%	7.14%	5.62%	4.68%
L 2030 Fund	August 1, 2005	10.61%	10.95%	9.34%	7.76%
L 2035 Fund	July 1, 2020	11.16%	11.55%	9.89%	N/A
L 2040 Fund	August 1, 2005	11.71%	12.17%	10.45%	8.63%
L 2045 Fund	July 1, 2020	12.17%	12.68%	10.91%	N/A
L 2050 Fund	January 31, 2011	12.64%	13.20%	11.40%	9.34%
L 2055 Fund	July 1, 2020	14.24%	15.19%	13.37%	N/A
L 2060 Fund	July 1, 2020	14.24%	15.19%	13.37%	N/A
L 2065 Fund	July 1, 2020	14.24%	15.19%	13.37%	N/A
L 2070 Fund	July 26, 2024	14.25%	N/A	N/A	N/A
L 2075 Fund	June 30, 2025	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.

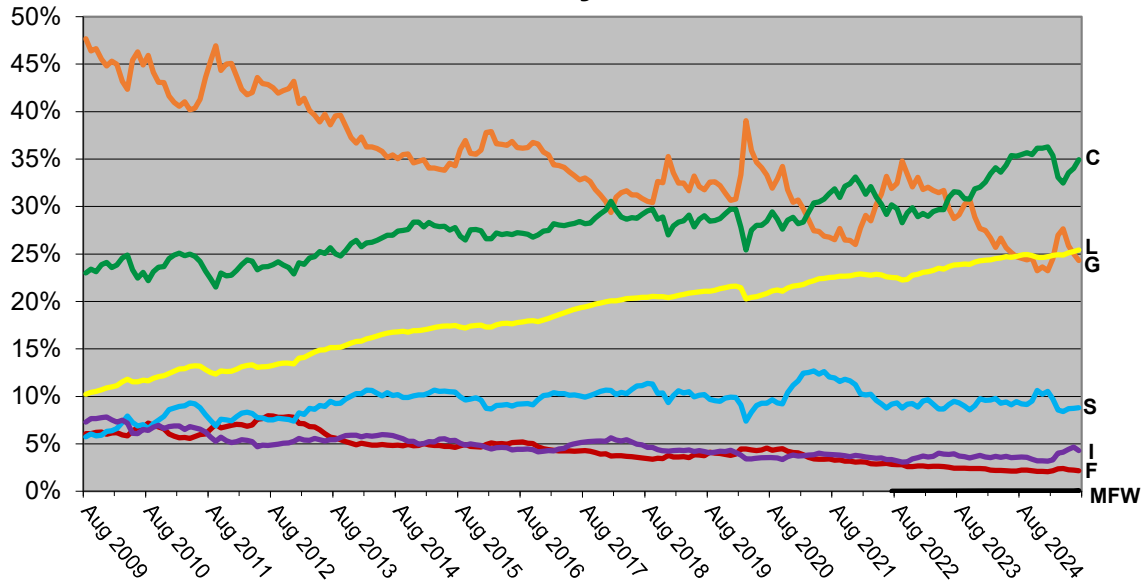


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



Asset Allocation

Participant Asset Allocation History as of July 31, 2025

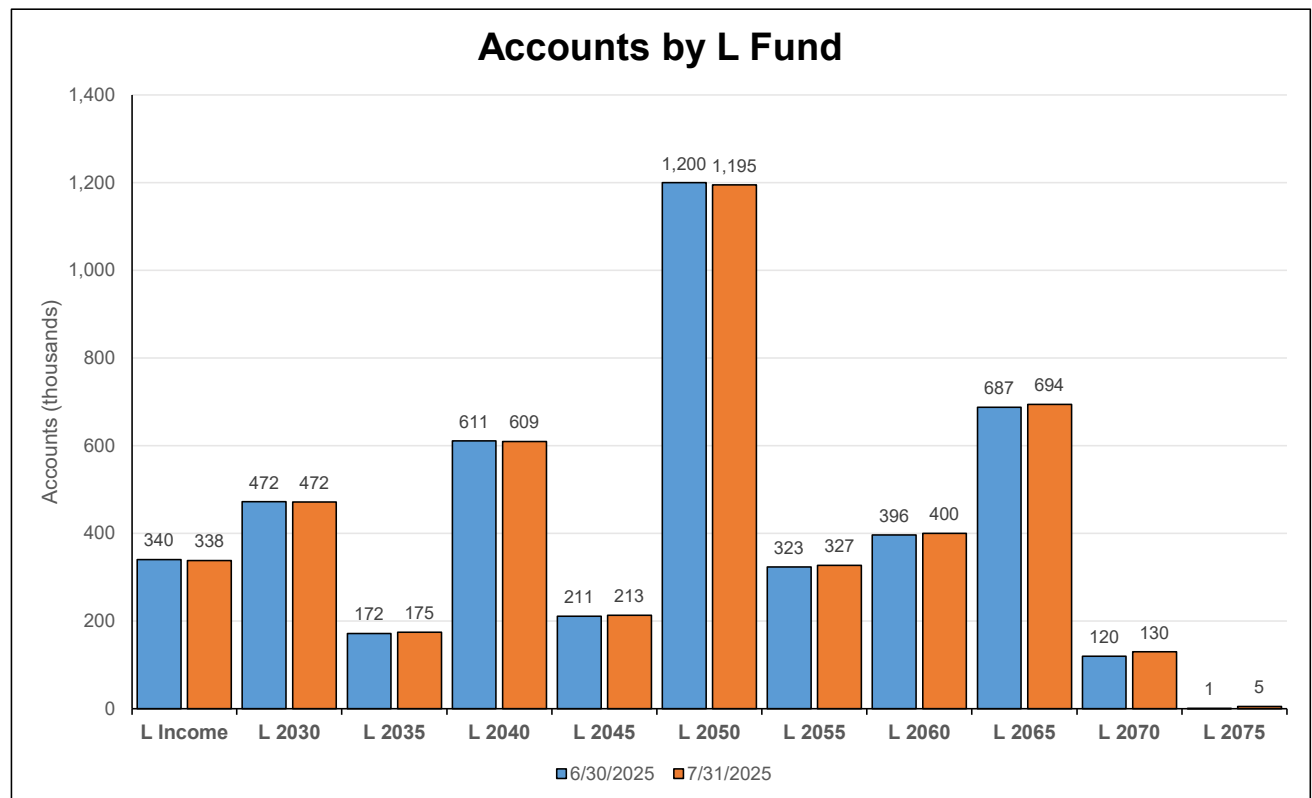
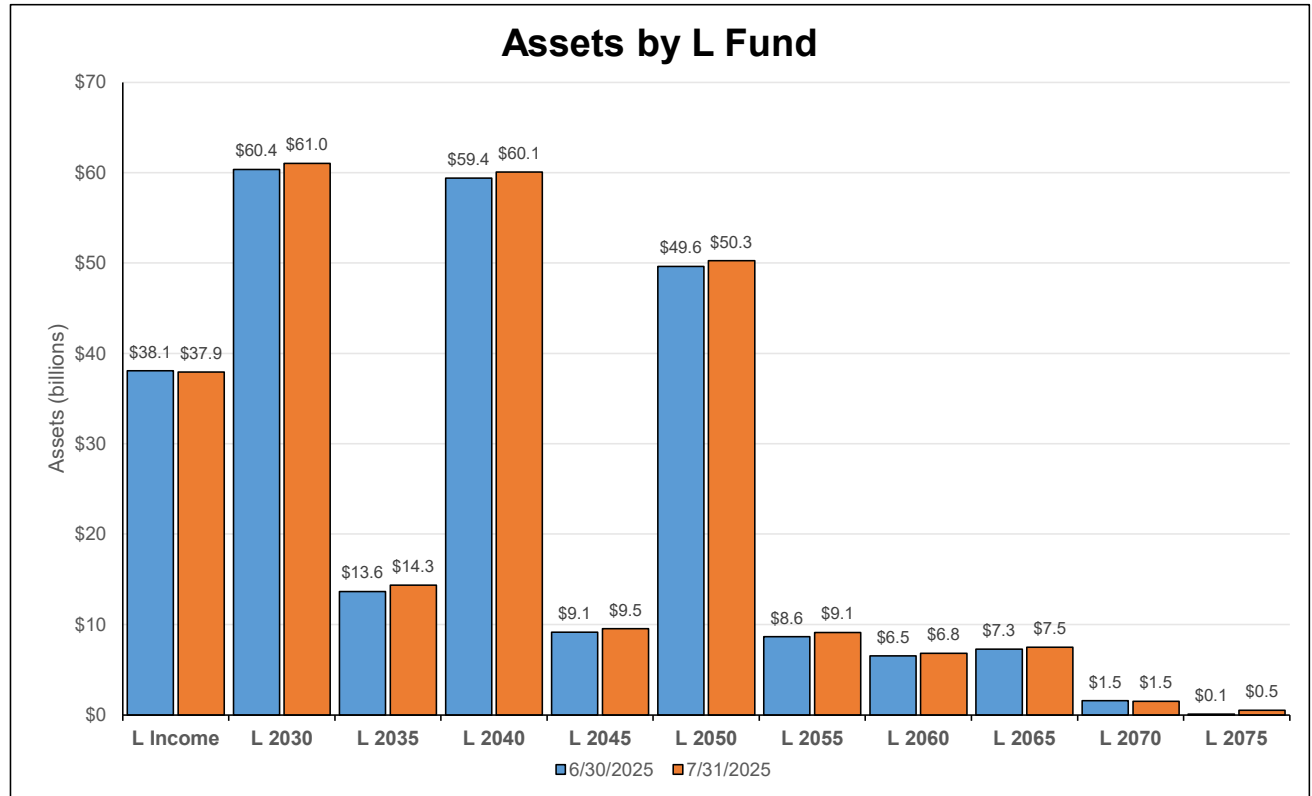


Asset Allocation as of July 31, 2025

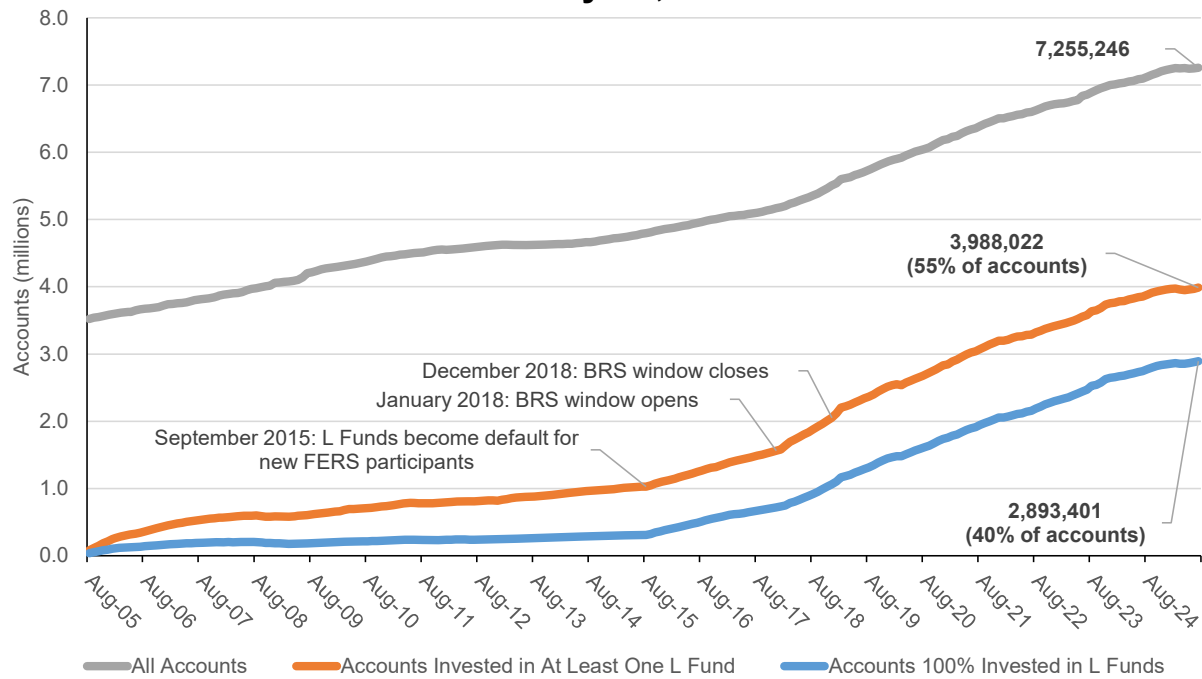
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets</u> (Billions)	<u>Share of</u> <u>Total</u>	<u>Assets</u> (Billions)	<u>Share of</u> <u>Total</u>
G Fund	\$247.1	24.3%	\$318.0	31.3%
F Fund	\$22.2	2.2%	\$37.1	3.6%
C Fund	\$355.1	34.9%	\$445.2	43.8%
S Fund	\$89.5	8.8%	\$112.0	11.0%
I Fund	\$43.7	4.3%	\$103.9	10.2%
L Funds	\$258.6	25.4%	n/a	n/a
<u>MFW</u>	<u>\$0.7</u>	<u>0.1%</u>	<u>\$0.7</u>	<u>0.1%</u>
Total	\$1,016.8	100.0%	\$1,016.8	100.0%

*Components may not sum to totals due to rounding.

Lifecycle (L) Funds

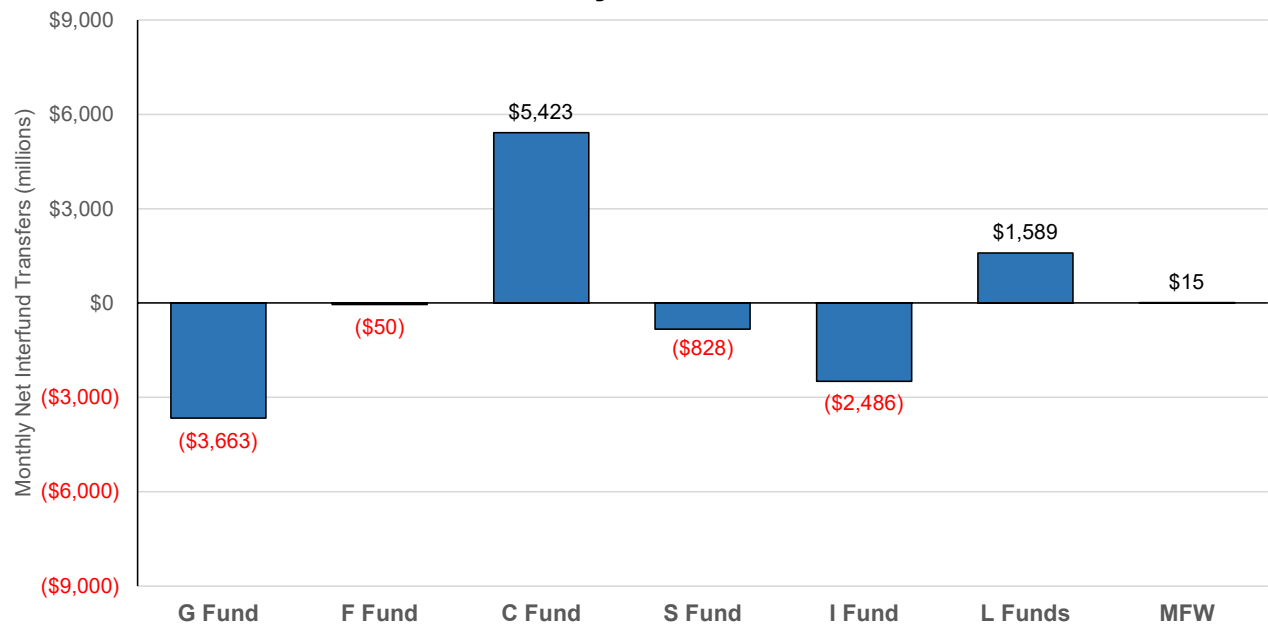


Participation History of the L Funds as of July 31, 2025



Interfund Transfer Activity

Monthly Net Interfund Transfers July 2025



*Values may not sum to zero due to rounding.