



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 25, 2025

SUBJECT: January 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 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.

***January 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>
<b>Return</b>	<b>Index</b>	0.53%	2.78%	4.98%	3.97%
	<b>BlackRock</b>	0.52%	2.78%	4.99%	3.69%
	<b>State Street</b>	0.52%	2.78%	4.99%	3.65%
	<b>TSP Fund (Net)</b>	0.51%	2.78%	4.99%	3.68%
<b>Benchmark Difference</b>	<b>BlackRock</b>	-0.01%	0.00%	0.01%	-0.28%
	<b>State Street</b>	-0.01%	0.00%	0.01%	-0.33%
	<b>TSP Fund</b>	-0.02%	0.00%	0.01%	-0.29%

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 28 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 33 basis points, primarily due to fair value pricing.

**TSP Net Returns as of January 31, 2025**

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>G Fund</b>	4.46%	3.96%	2.83%	2.55%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>F Fund</b>	2.04%	-1.44%	-0.52%	1.33%
<b>Bloomberg US Agg Bond Index</b>	2.07%	-1.52%	-0.60%	1.19%
<b>Benchmark Difference</b>	-0.02%	0.08%	0.08%	0.14%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>C Fund</b>	26.32%	11.87%	15.12%	13.74%
<b>S&amp;P 500 Index</b>	26.38%	11.91%	15.17%	13.76%
<b>Benchmark Difference</b>	-0.06%	-0.04%	-0.05%	-0.02%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>S Fund</b>	25.80%	8.05%	11.10%	10.26%
<b>Dow Jones US Completion TSM Index</b>	25.73%	7.81%	10.96%	10.05%
<b>Benchmark Difference</b>	0.08%	0.24%	0.14%	0.22%

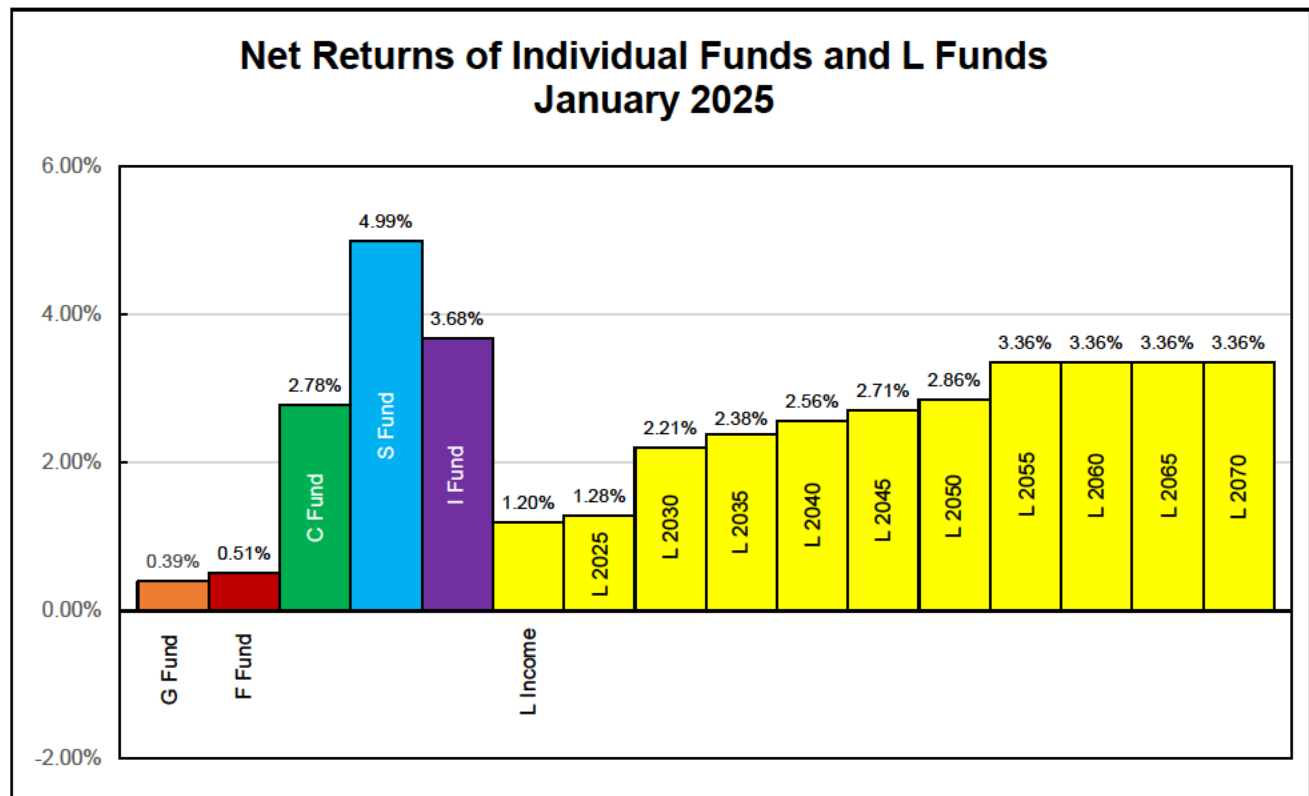
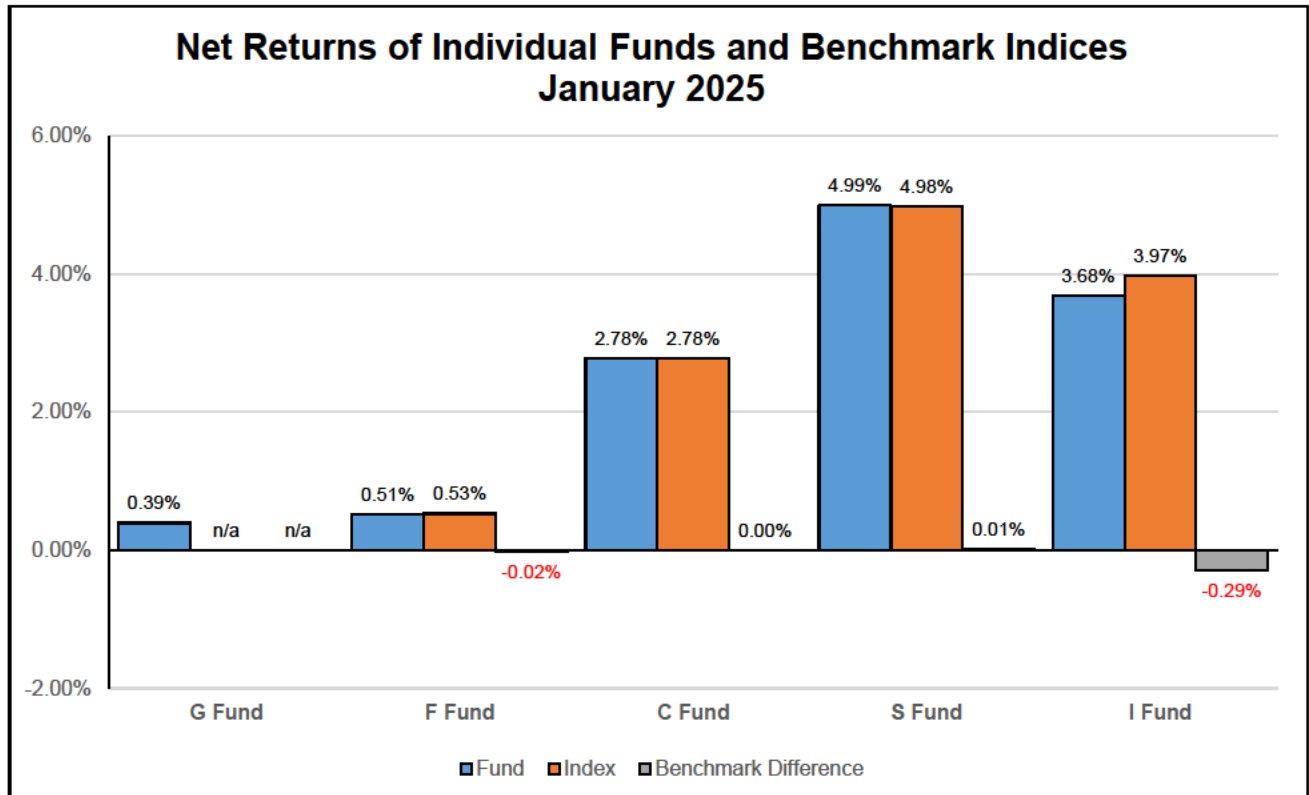
	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>I Fund</b>	8.35%	4.67%	6.42%	5.89%
<b>International Index*</b>	7.72%	4.82%	6.07%	5.60%
<b>Benchmark Difference</b>	0.63%	-0.15%	0.35%	0.30%

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

	<b>Inception Date</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>L Income Fund</b>	August 1, 2005	8.26%	5.29%	5.02%	4.49%
<b>L 2025 Fund</b>	July 1, 2020	9.26%	5.24%	N/A	N/A
<b>L 2030 Fund</b>	August 1, 2005	13.52%	6.97%	8.24%	7.68%
<b>L 2035 Fund</b>	July 1, 2020	14.39%	7.19%	N/A	N/A
<b>L 2040 Fund</b>	August 1, 2005	15.27%	7.43%	9.18%	8.54%
<b>L 2045 Fund</b>	July 1, 2020	16.03%	7.60%	N/A	N/A
<b>L 2050 Fund</b>	January 31, 2011	16.80%	7.81%	9.96%	9.28%
<b>L 2055 Fund</b>	July 1, 2020	19.65%	8.89%	N/A	N/A
<b>L 2060 Fund</b>	July 1, 2020	19.65%	8.88%	N/A	N/A
<b>L 2065 Fund</b>	July 1, 2020	19.64%	8.88%	N/A	N/A
<b>L 2070 Fund</b>	July 26, 2024	N/A	N/A	N/A	N/A

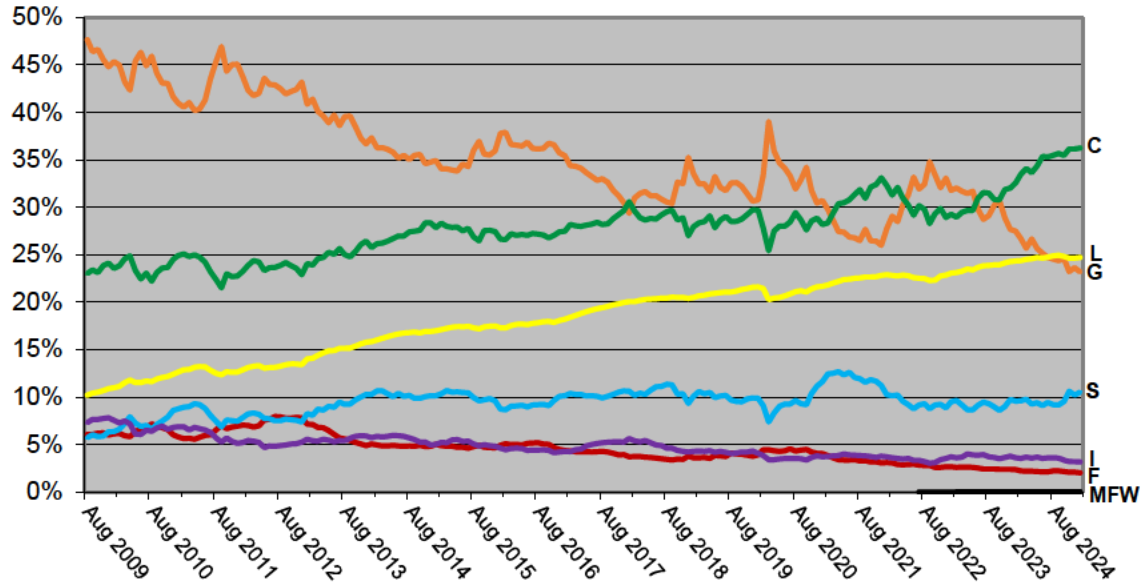
## Performance of TSP Funds

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



## Asset Allocation

### Participant Asset Allocation History as of January 31, 2025

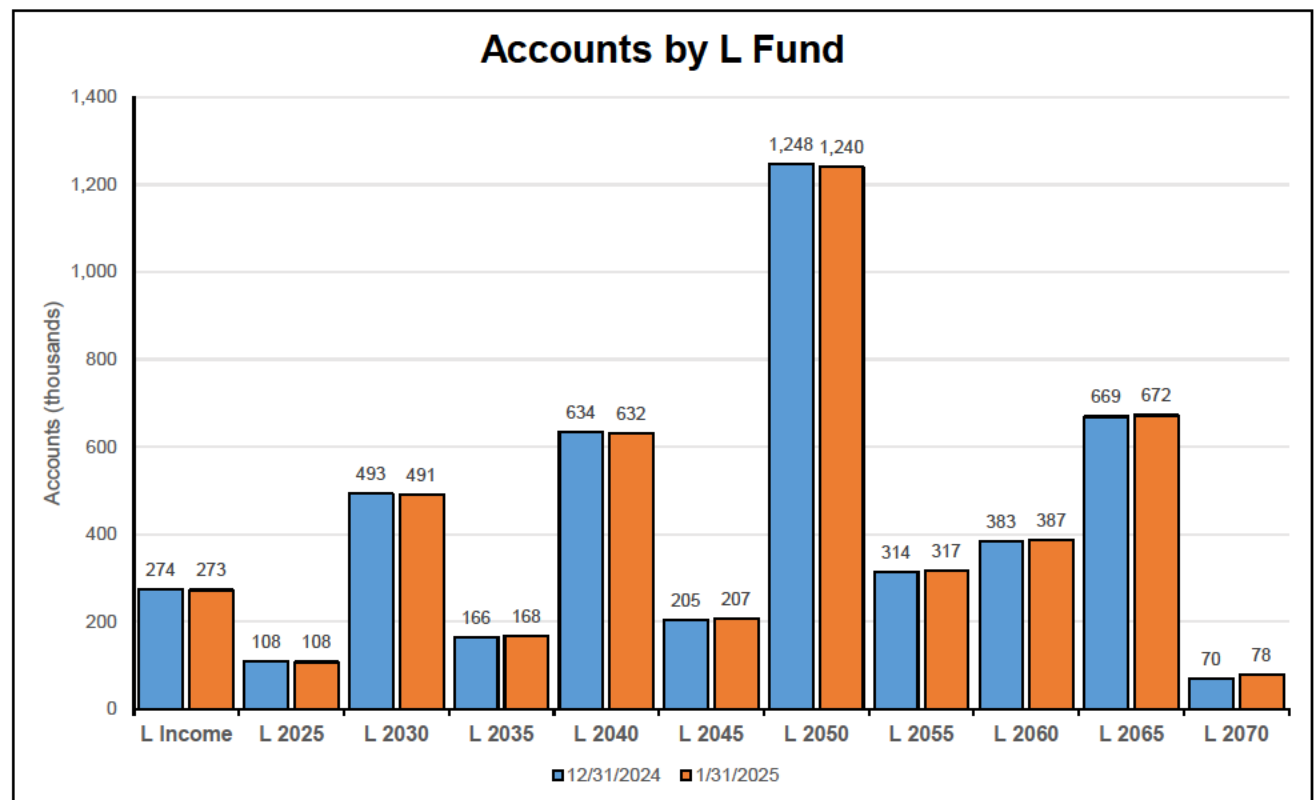
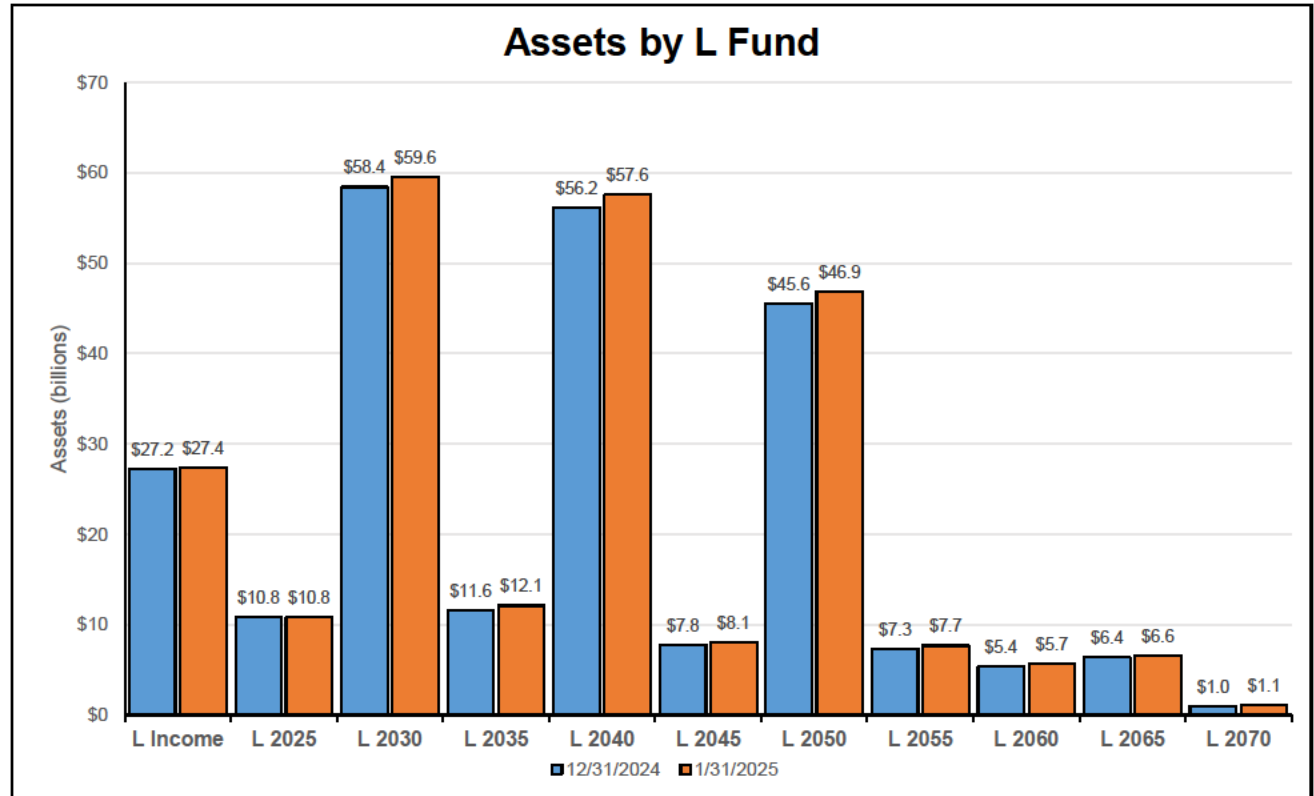


### Asset Allocation as of January 31, 2025

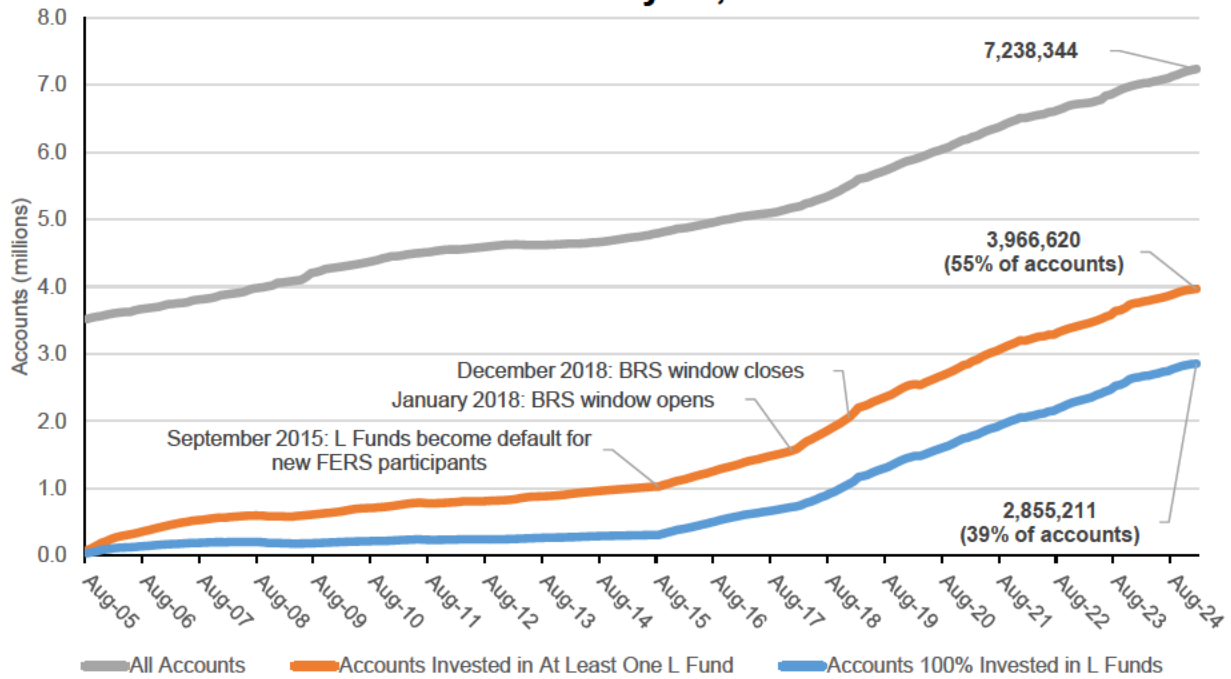
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets</u> (Billions)	<u>Share of</u> Total	<u>Assets</u> (Billions)	<u>Share of</u> Total
<b>G Fund</b>	\$228.6	23.2%	\$297.0	30.2%
<b>F Fund</b>	\$20.1	2.0%	\$34.5	3.5%
<b>C Fund</b>	\$357.0	36.3%	\$440.5	44.7%
<b>S Fund</b>	\$103.5	10.5%	\$124.6	12.7%
<b>I Fund</b>	\$31.4	3.2%	\$87.6	8.9%
<b>L Funds</b>	\$243.5	24.7%	n/a	n/a
<b><u>MFW</u></b>	<u>\$0.6</u>	<u>0.1%</u>	<u>\$0.6</u>	<u>0.1%</u>
<b>Total</b>	\$984.8	100.0%	\$984.8	100.0%

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

## Lifecycle (L) Funds

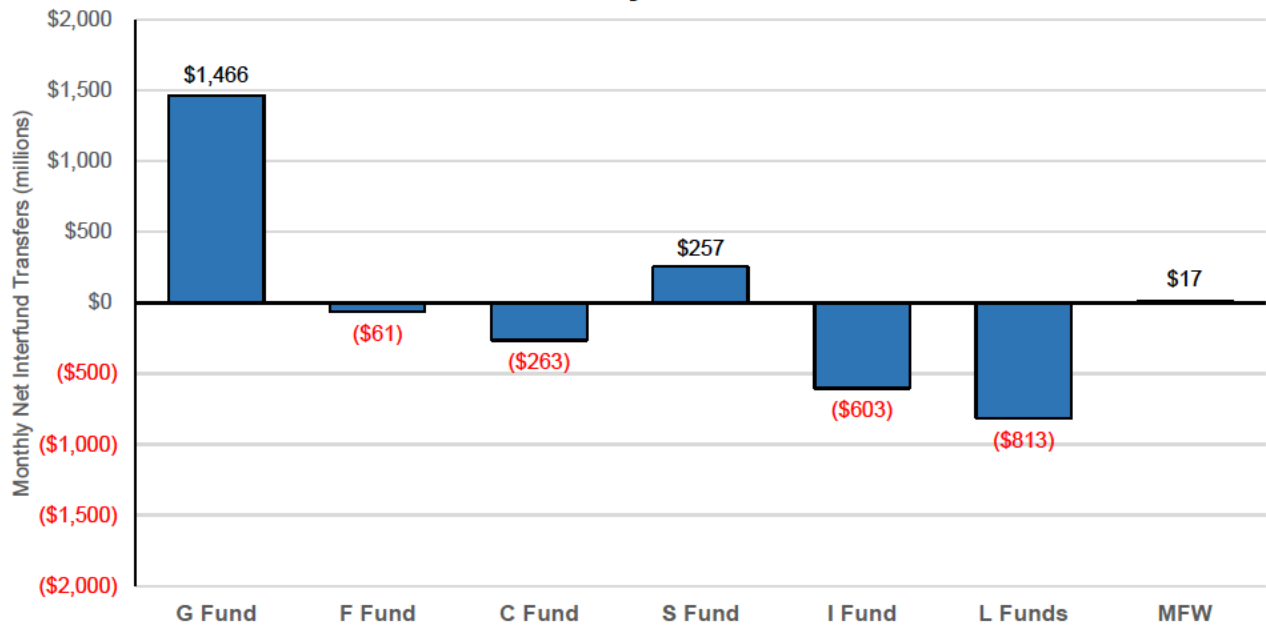


## Participation History of the L Funds as of January 31, 2025



## Interfund Transfer Activity

### Monthly Net Interfund Transfers January 2025



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