

Annual Review of the Office of Investments

Presented by

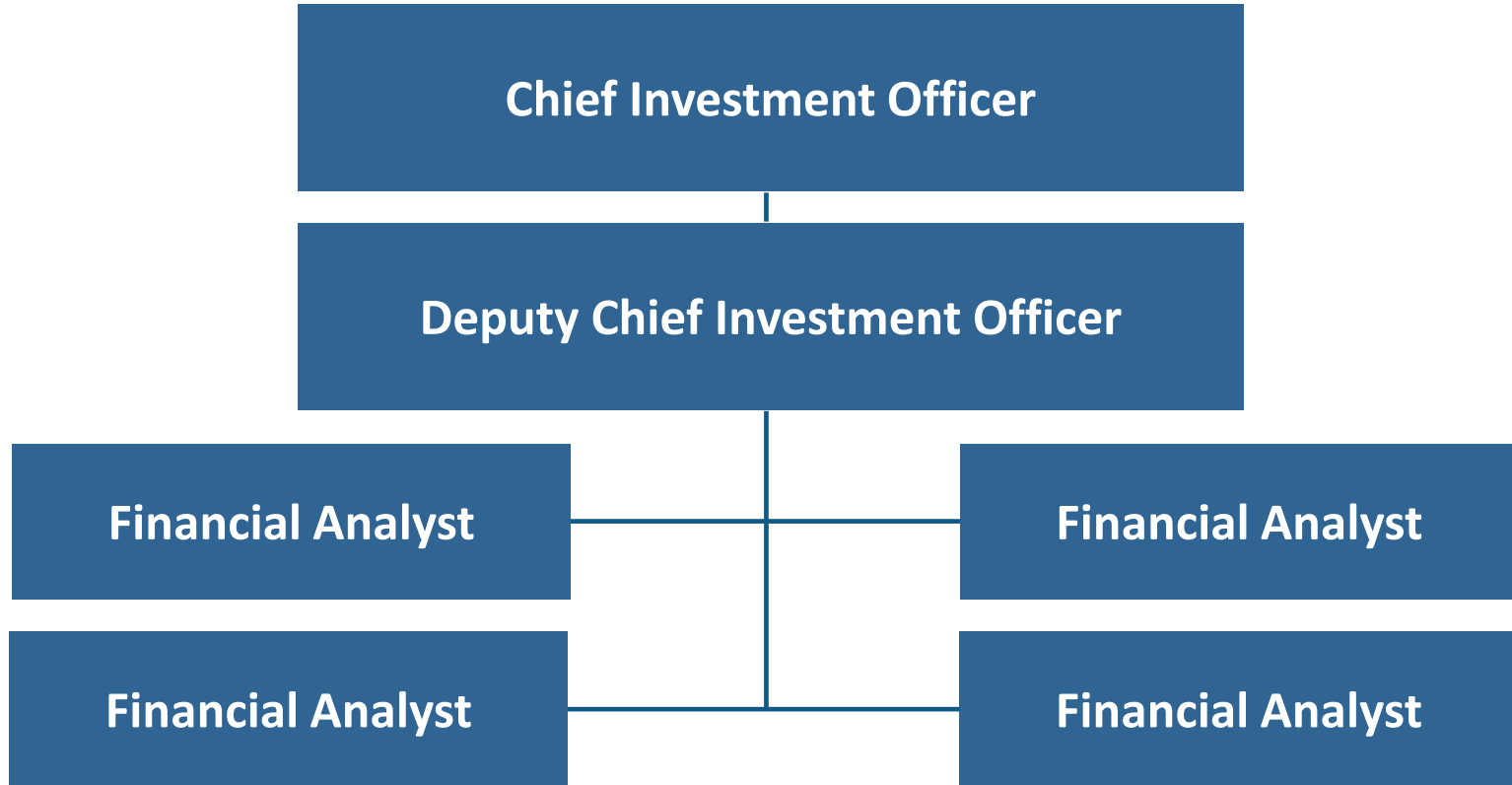
Sean McCaffrey, Chief Investment Officer

July 22, 2025

Functional Statement

- Develop and implement investment policy and provide subject matter expertise for Thrift Savings Plan (TSP) investment programs

Organizational Structure



Key Activities

Oversee investment management services, including securities lending

L Funds asset allocation strategies

Investment policies and procedures

Ensure funds are invested in accordance with the law and applicable policies

Provide subject matter expertise

Provide assistance to other offices

Investment Consultants

- Pool of five investment consultants available for recurring and ad hoc analysis
- Examples of recurring analysis
 - L Funds asset allocation reviews
 - Investment option reviews
 - Benchmark reviews
- Examples of ad hoc analysis
 - Frequency of investment policy review
 - Evaluation of investment manager proposals
 - Advice and coordination related to special topics, e.g. transfers of assets

AON

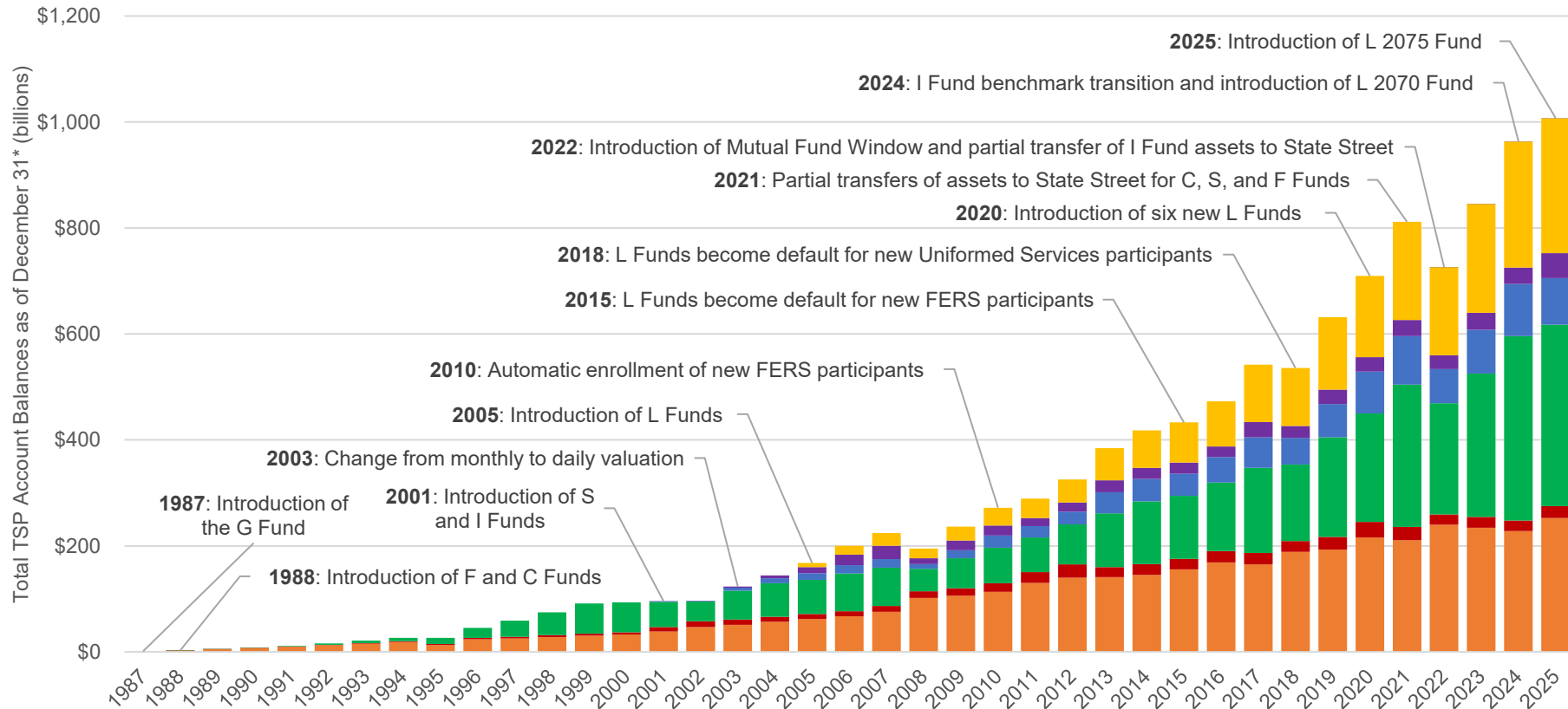
Callan

MEKETA

 **Mercer**

 **RVK**

TSP Investment History



Recent Highlights

- Operational Excellence
 - Continued smooth operation of two-manager structure
 - Automation for manager supervision and report generation
 - Investment manager audit
- I Fund
 - Executed benchmark index transition
 - Significantly expanded country and company exposure
- L Funds
 - L 2070 and L 2075 introduced; expanded lineup will accommodate youngest participants
 - Recently crossed 25% of assets

Summary of I Fund Change

Previous Benchmark: MSCI EAFE Index



- Covers 54% of non-U.S. market value
- 21 developed markets
- Large- and mid-cap stocks
- Approximately 700 companies

New Benchmark: MSCI ACWI IMI

ex USA ex China ex Hong Kong Index

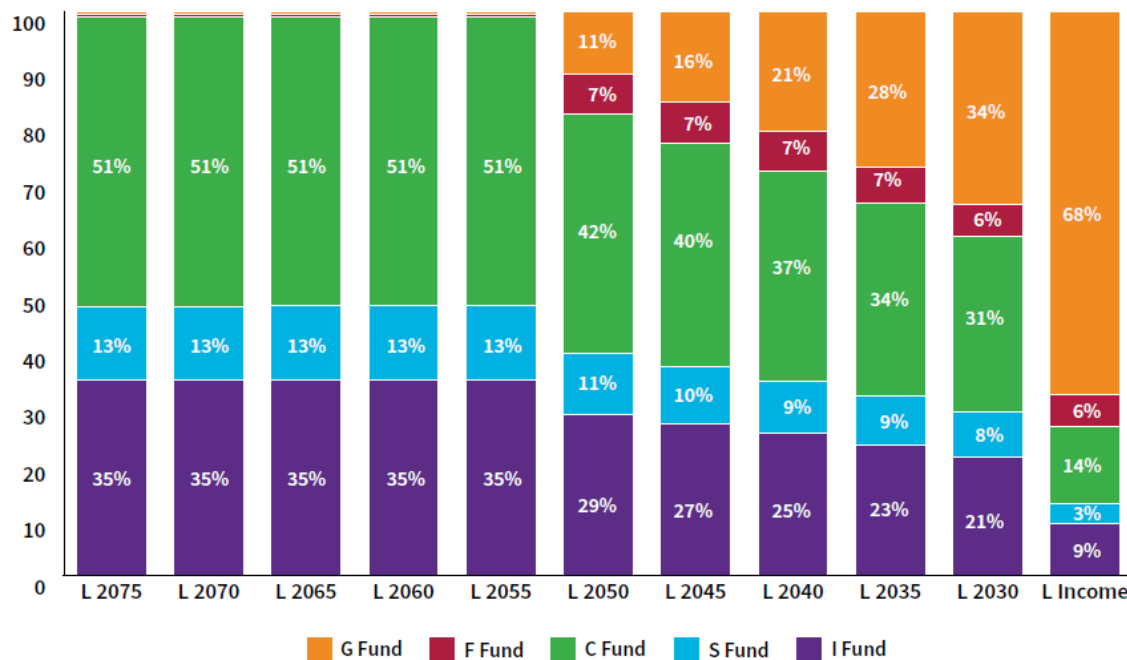


- Covers 91% of non-U.S. market value
- 21 developed and 23 emerging markets
- Large-, mid-, and small-cap stocks
- Approximately 5,200 companies

Lifecycle Funds – Asset Allocation

- Target date funds composed of individual TSP Funds (G, F, C, S, I)
- Periodic asset allocation reviews to ensure appropriate risk/return profiles

Here's how each L Fund is invested as of June 30, 2025

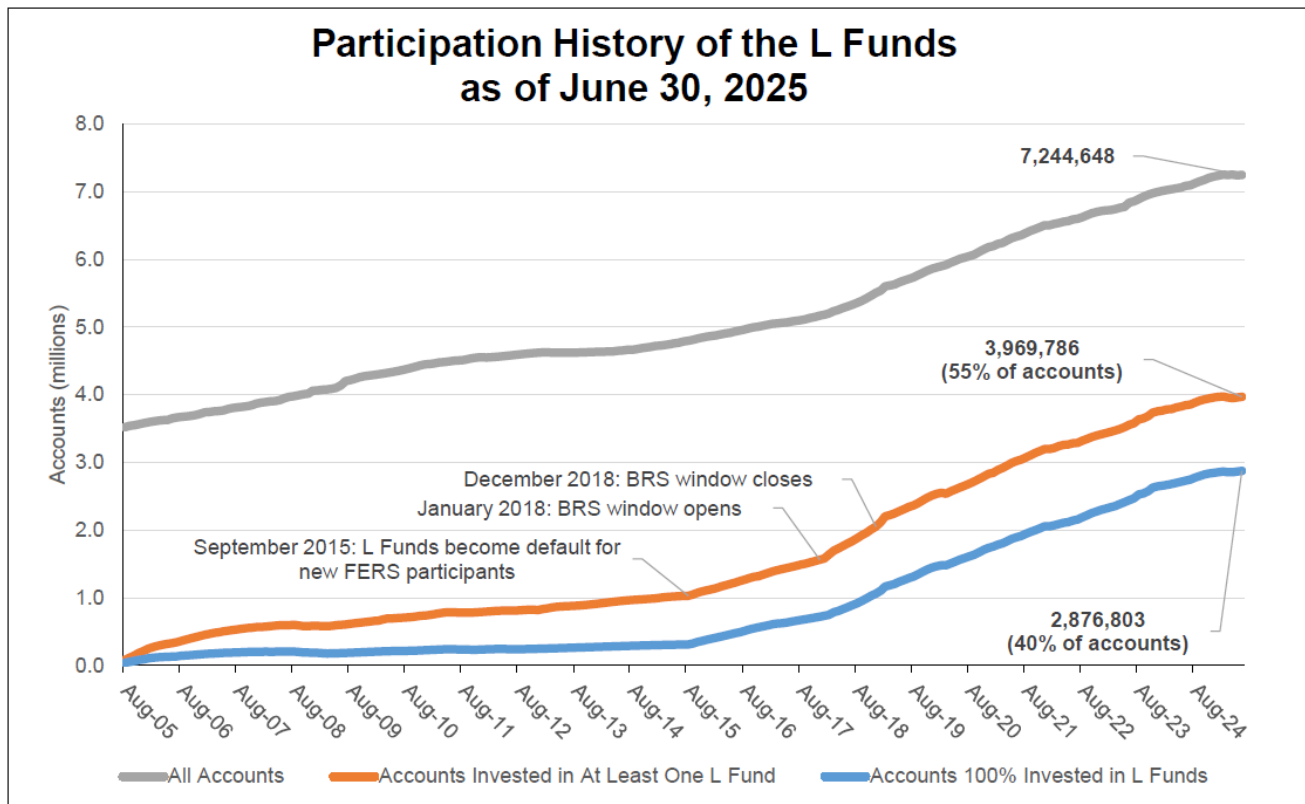


G Fund F Fund C Fund S Fund I Fund

No more than 1% of the L 2070, L 2065, L 2060, and L 2055 Funds is invested in the G and F Funds.
Due to rounding, numbers may not add up to exactly 100%.

Lifecycle Funds – Participation

- Over half of all accounts have some assets in the L Funds
- 2/5 have 100% of their assets in the L Funds



Looking Forward

- Quality and continuous improvement
 - Manager supervision and automation
 - Contingency planning
 - Audits and internal controls
- Agency's trusted source for investment knowledge
 - Organizational outreach and support
 - Key source for investment market intelligence
- I Fund and L Funds are well positioned; no major structural changes anticipated
- Employee retention and growth