



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: June 24, 2025

SUBJECT: May 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.

***May 2025 Returns and Benchmark Differences***

		<b><u>Fixed Income</u></b>	<b><u>Large Cap</u></b>	<b><u>Small Mid Cap</u></b>	<b><u>International</u></b>
		<b><u>(F Fund)</u></b>	<b><u>(C Fund)</u></b>	<b><u>(S Fund)</u></b>	<b><u>(I Fund)</u></b>
<b>Return</b>	<b>Index</b>	-0.72%	6.29%	7.22%	4.96%
	<b>BlackRock</b>	-0.71%	6.29%	7.21%	4.98%
	<b>State Street</b>	-0.72%	6.30%	7.21%	4.94%
	<b>TSP Fund (Net)</b>	-0.71%	6.29%	7.21%	4.97%
<b>Benchmark Difference</b>	<b>BlackRock</b>	0.01%	0.00%	-0.01%	0.02%
	<b>State Street</b>	0.00%	0.00%	-0.01%	-0.02%
	<b>TSP Fund</b>	0.00%	0.00%	-0.01%	0.01%

BlackRock's performance for the F, C, S, and I Funds was in line with the Funds' respective indices for the month.

State Street's performance for the F, C, S, and I Funds was in line with the Funds' respective indices for the month.

## 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>
<b>Return</b>	<b>Index</b>	2.45%	1.06%	-3.11%	13.87%
	<b>BlackRock</b>	2.46%	1.06%	-3.12%	14.47%
	<b>State Street</b>	2.46%	1.06%	-3.07%	14.29%
	<b>TSP Fund (Net)</b>	2.44%	1.05%	-3.13%	14.42%
<b>Benchmark Difference</b>	<b>BlackRock</b>	0.01%	0.00%	-0.01%	0.60%
	<b>State Street</b>	0.02%	0.00%	0.04%	0.42%
	<b>TSP Fund</b>	0.00%	-0.01%	-0.02%	0.55%

Year-to-date, BlackRock's performance for the F, 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 60 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 the Funds' respective indices. Its performance for the S Fund was ahead of the Small Mid Cap Index by 4 basis points, primarily due to securities sampling and securities lending. For the I Fund, State Street was ahead of the International Index by 42 basis points, primarily due to tax advantage.

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

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>G Fund</b>	4.43%	4.21%	3.05%	2.63%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>F Fund</b>	5.45%	1.38%	-0.81%	1.62%
<b>Bloomberg US Agg Bond Index</b>	5.46%	1.49%	-0.90%	1.49%
<b>Benchmark Difference</b>	-0.01%	-0.12%	0.09%	0.13%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>C Fund</b>	13.47%	15.07%	15.91%	12.84%
<b>S&amp;P 500 Index</b>	13.52%	14.41%	15.94%	12.86%
<b>Benchmark Difference</b>	-0.06%	0.66%	-0.03%	-0.02%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>S Fund</b>	9.58%	10.15%	11.38%	8.57%
<b>Dow Jones US Completion TSM Index</b>	9.54%	9.47%	11.22%	8.37%
<b>Benchmark Difference</b>	0.04%	0.68%	0.16%	0.20%

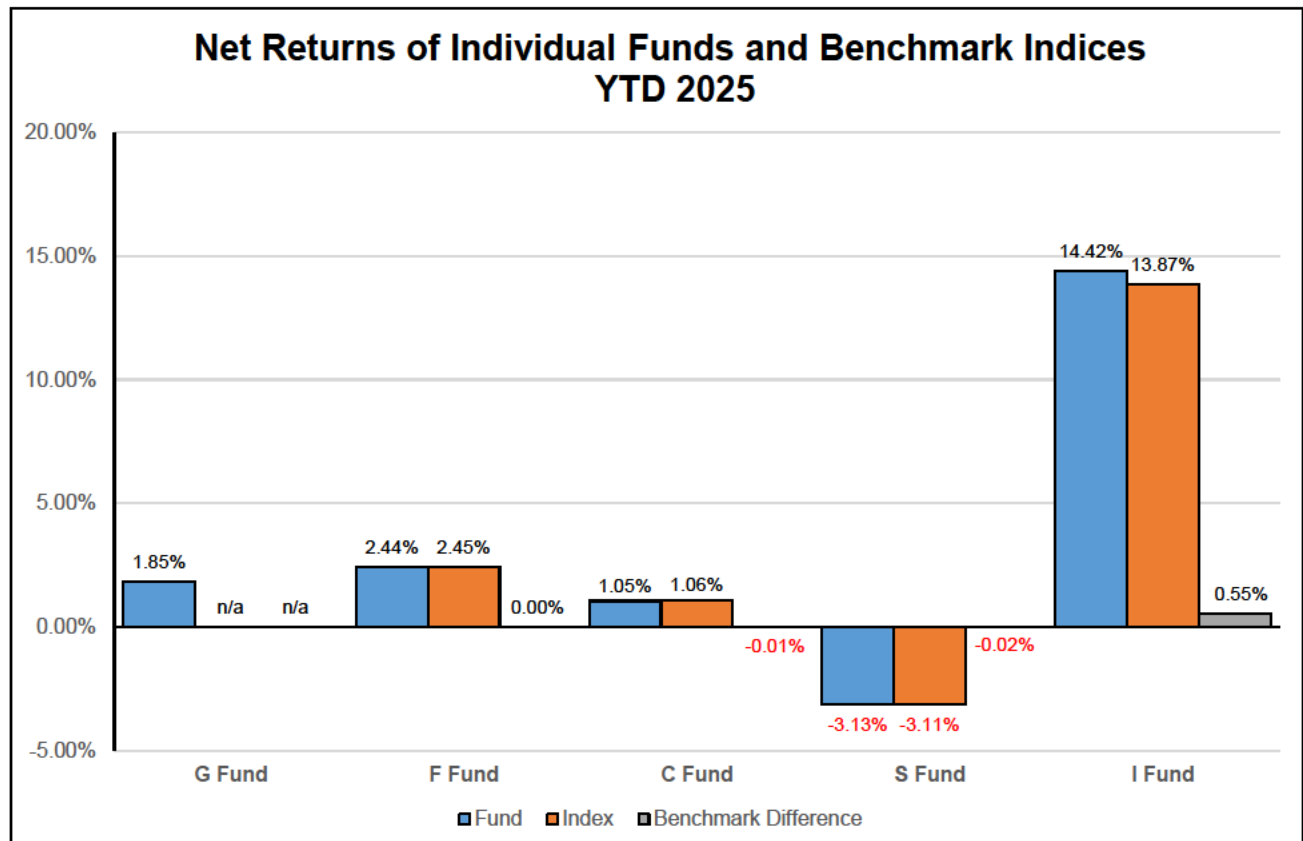
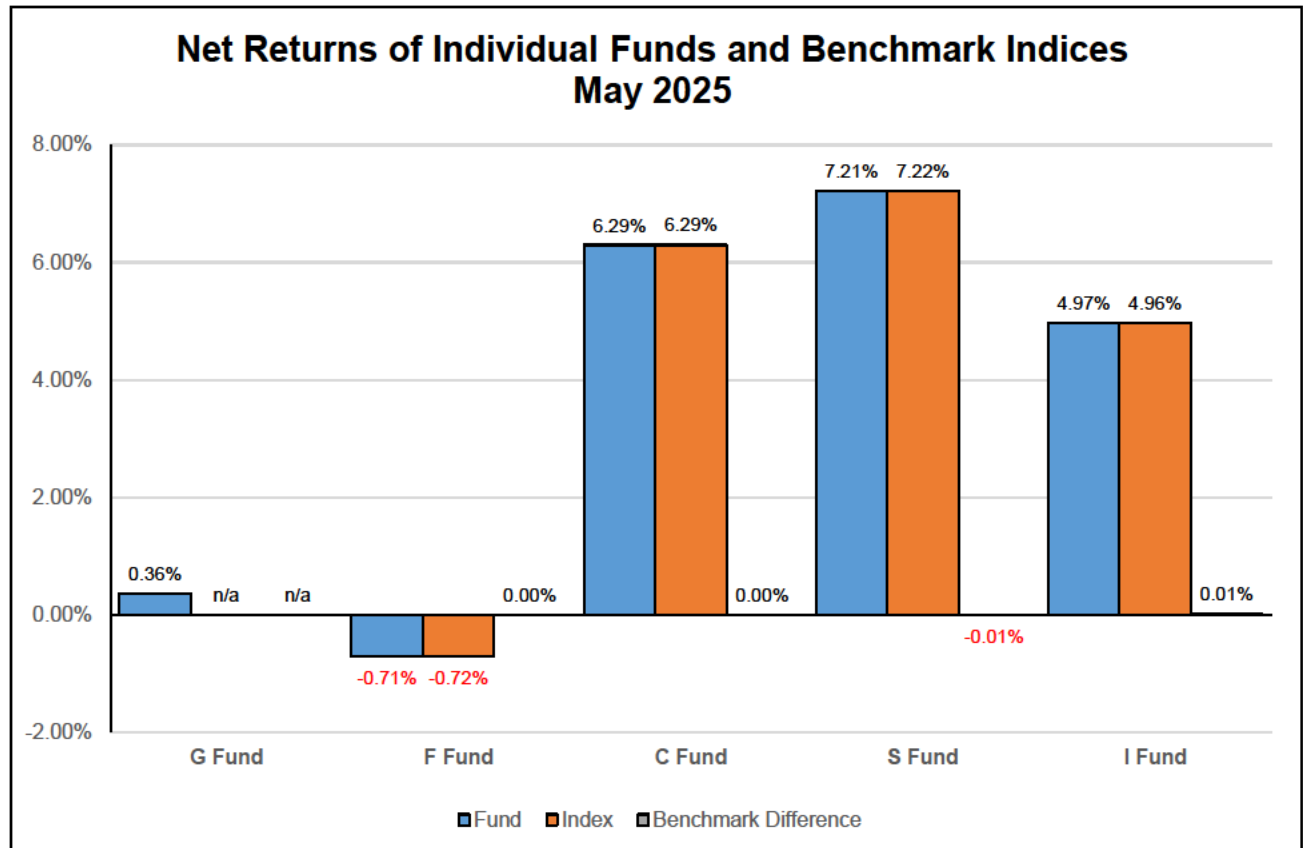
	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>I Fund</b>	10.89%	11.23%	11.26%	6.09%
<b>International Index*</b>	10.81%	10.62%	10.92%	5.74%
<b>Benchmark Difference</b>	0.07%	0.61%	0.33%	0.36%

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

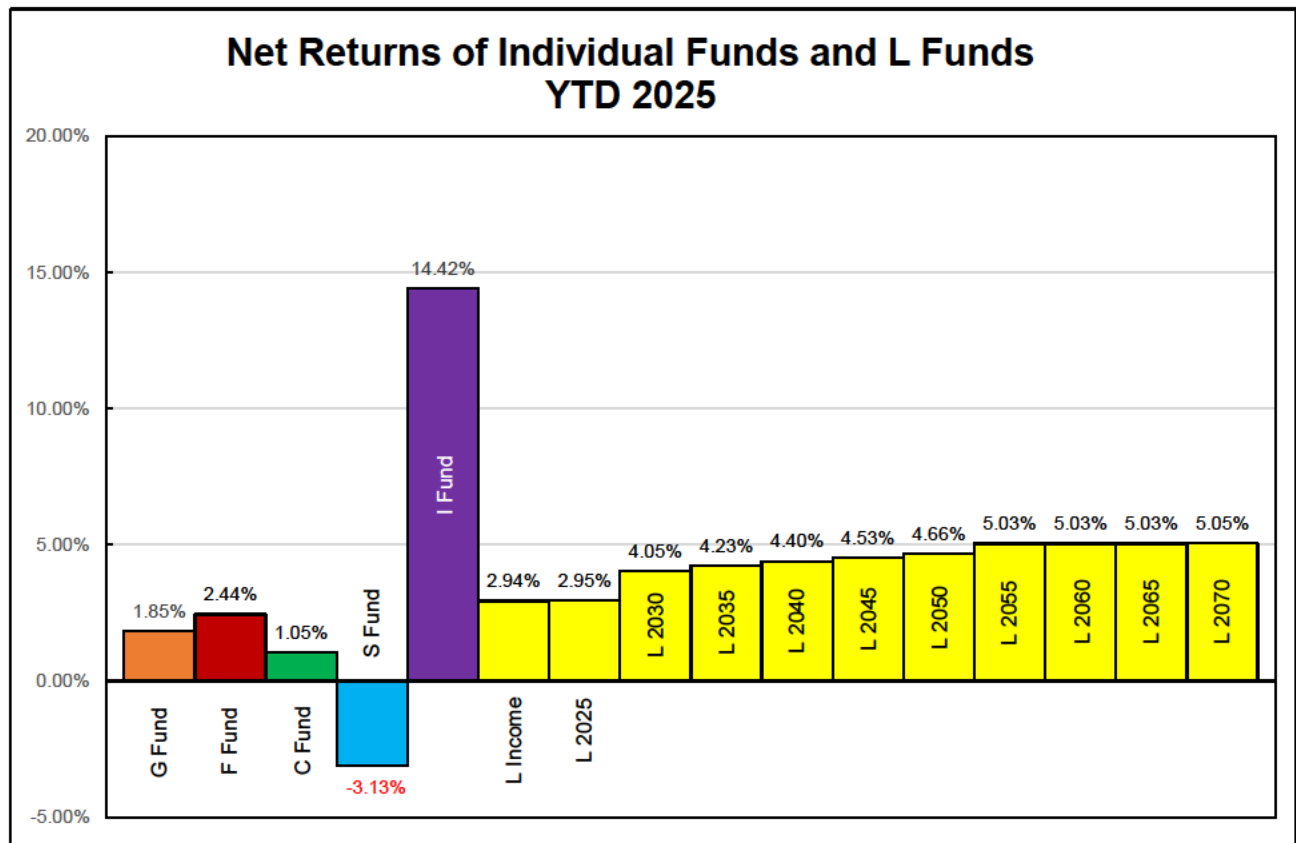
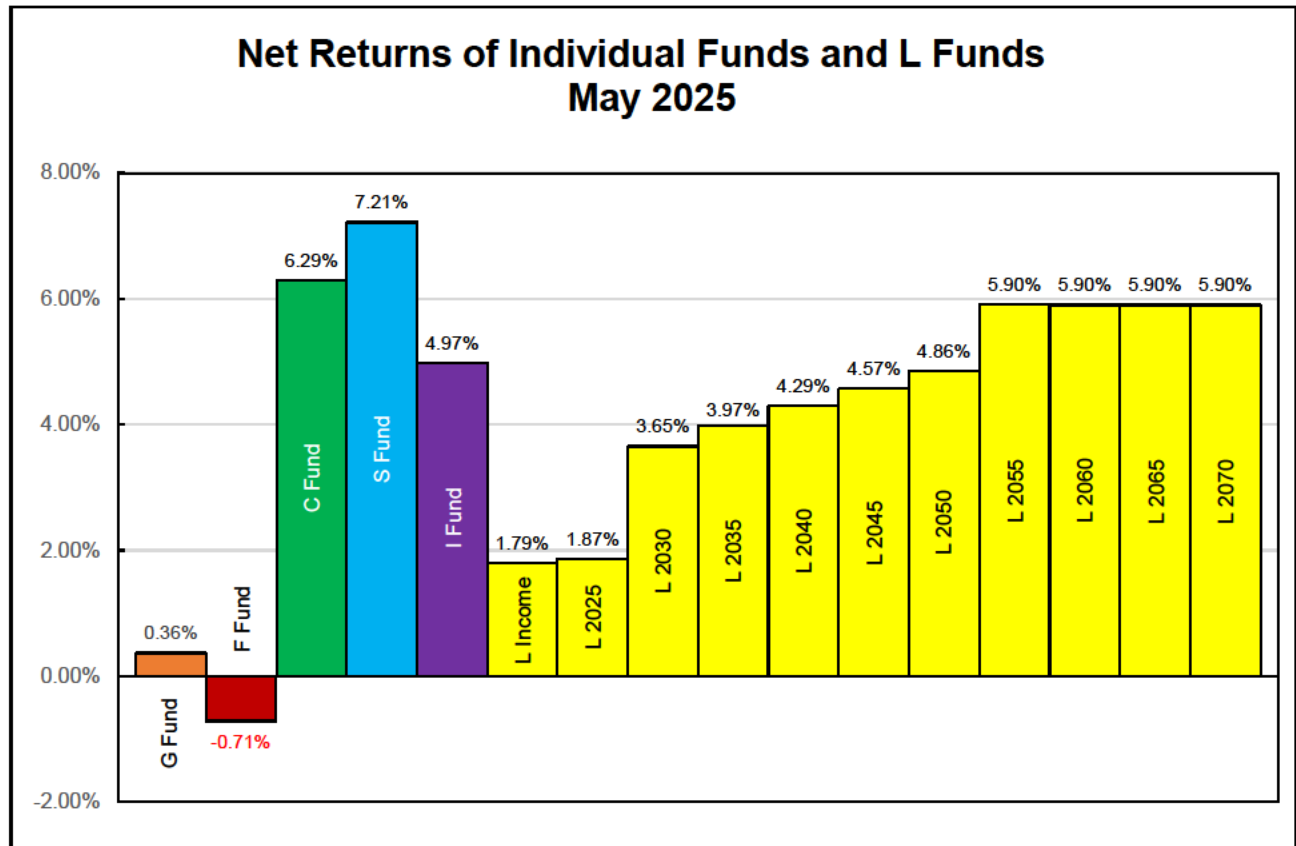
	<b>Inception Date</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>L Income Fund</b>	August 1, 2005	6.82%	6.61%	5.58%	4.48%
<b>L 2025 Fund</b>	July 1, 2020	7.14%	7.23%	N/A	N/A
<b>L 2030 Fund</b>	August 1, 2005	9.55%	9.76%	9.54%	7.37%
<b>L 2035 Fund</b>	July 1, 2020	10.00%	10.24%	N/A	N/A
<b>L 2040 Fund</b>	August 1, 2005	10.43%	10.73%	10.72%	8.15%
<b>L 2045 Fund</b>	July 1, 2020	10.80%	11.12%	N/A	N/A
<b>L 2050 Fund</b>	January 31, 2011	11.15%	11.54%	11.72%	8.81%
<b>L 2055 Fund</b>	July 1, 2020	12.22%	13.15%	N/A	N/A
<b>L 2060 Fund</b>	July 1, 2020	12.22%	13.14%	N/A	N/A
<b>L 2065 Fund</b>	July 1, 2020	12.22%	13.14%	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.

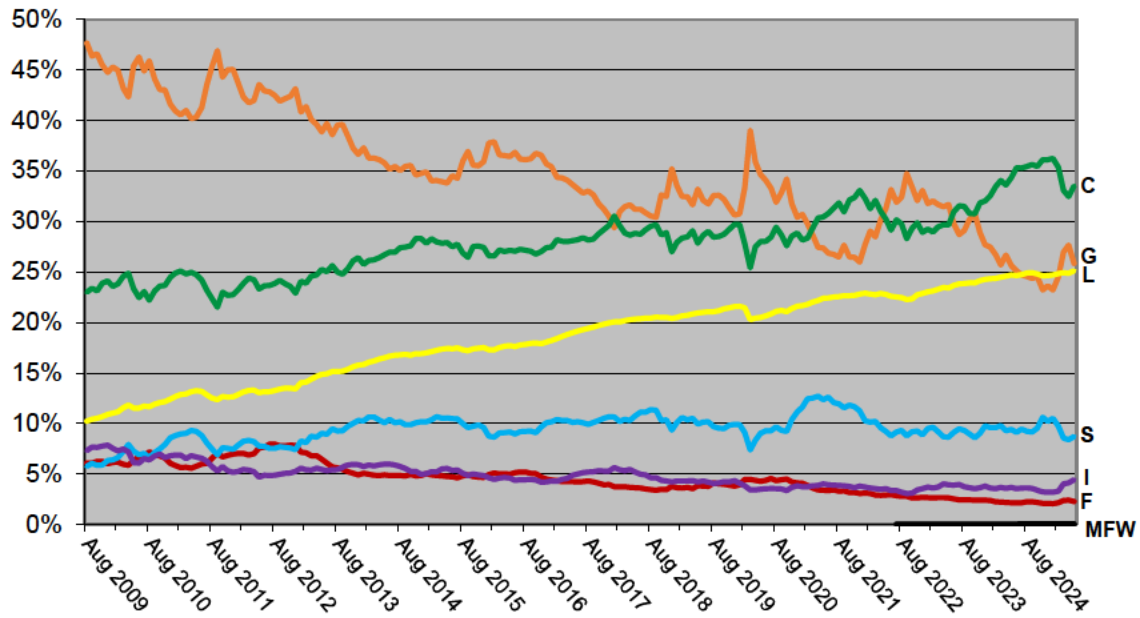


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



## Asset Allocation

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

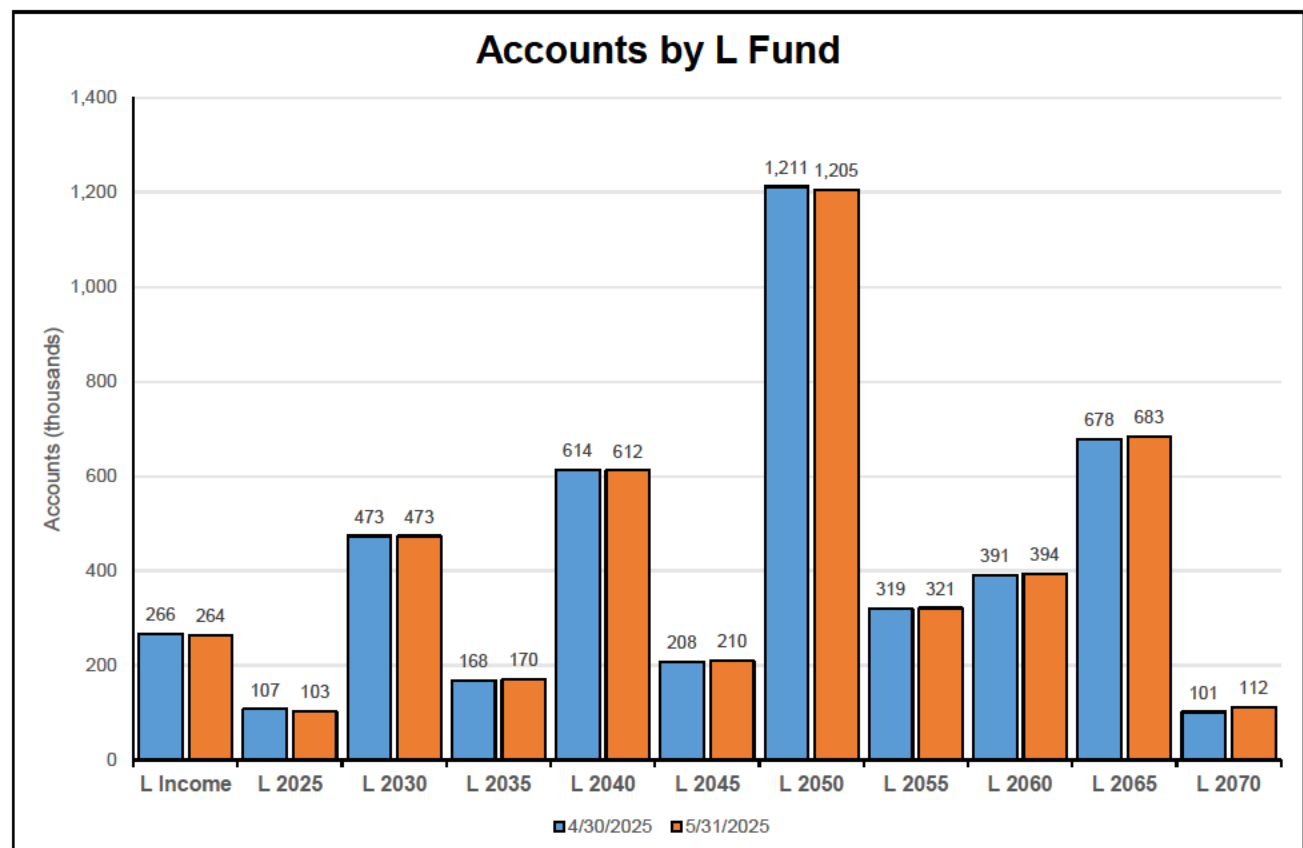
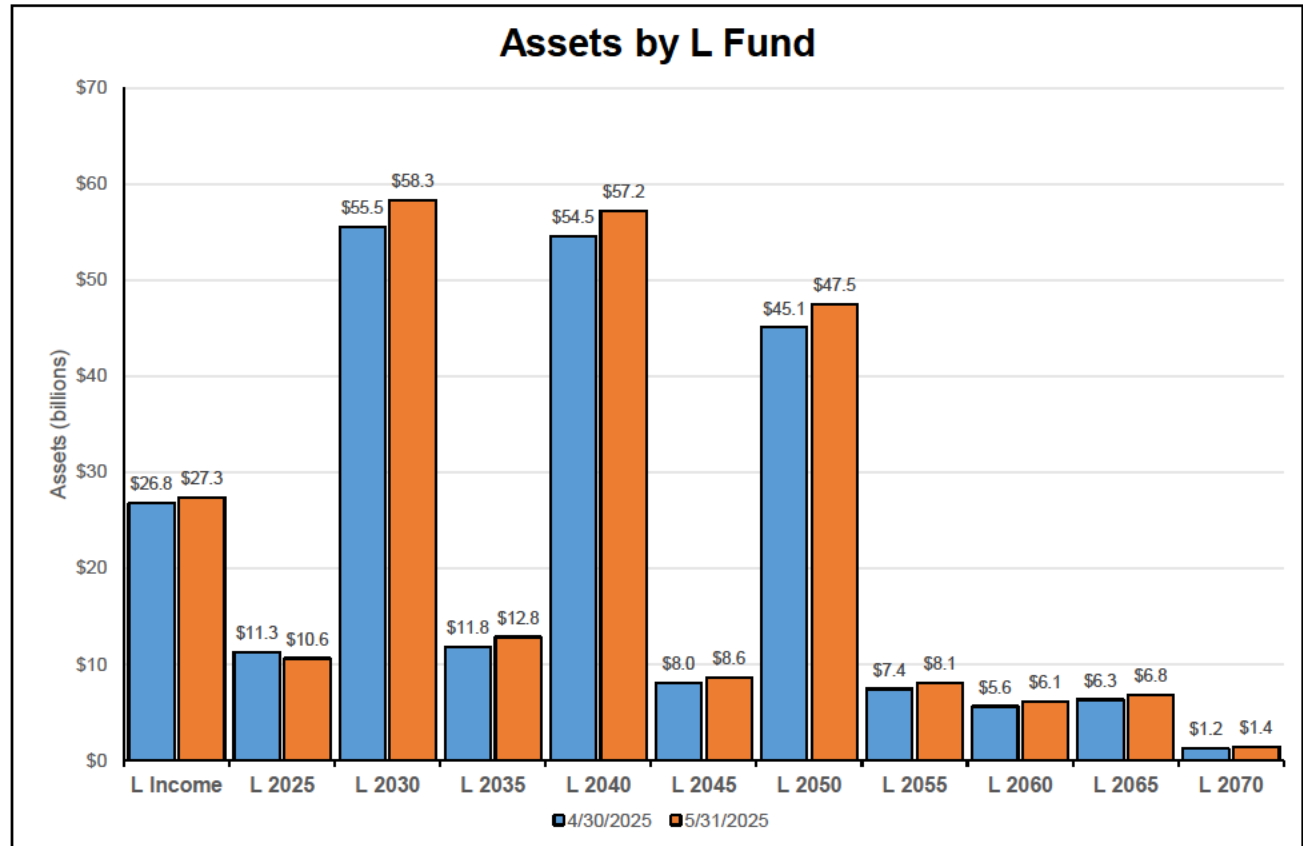


### Asset Allocation as of May 31, 2025

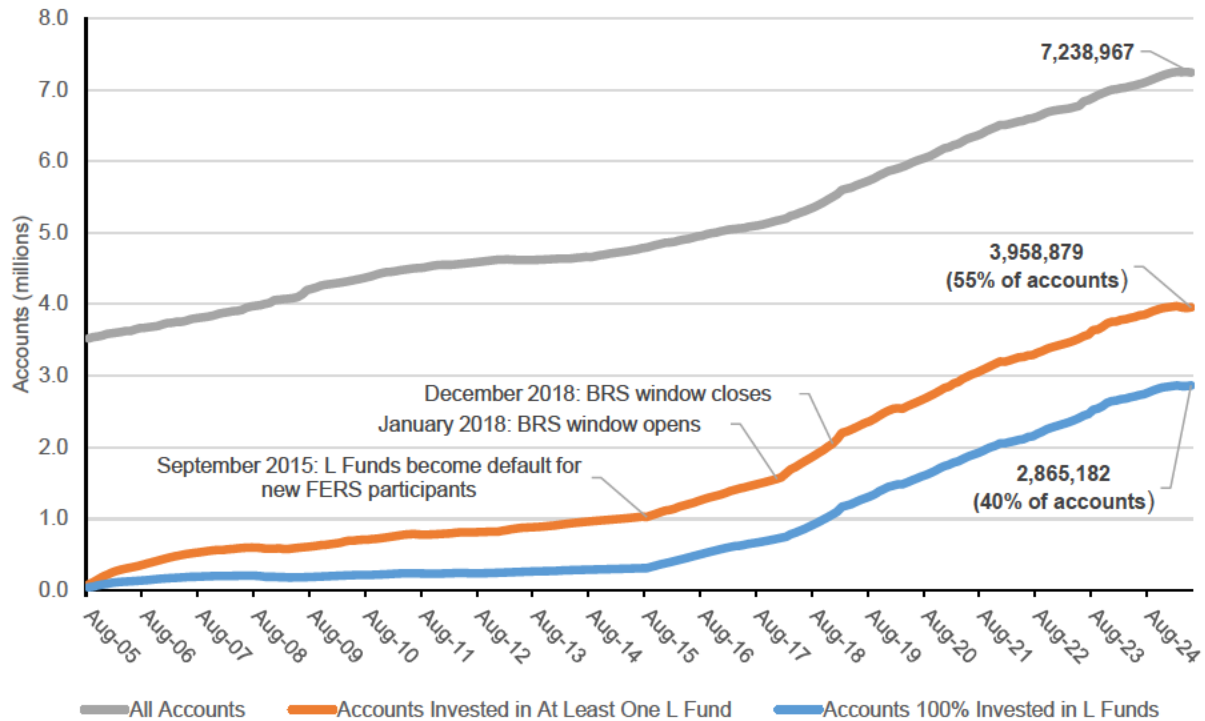
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets</u> (Billions)	<u>Share of</u> Total	<u>Assets</u> (Billions)	<u>Share of</u> Total
<b>G Fund</b>	\$252.1	25.9%	\$320.1	32.8%
<b>F Fund</b>	\$22.1	2.3%	\$36.4	3.7%
<b>C Fund</b>	\$326.8	33.5%	\$411.2	42.2%
<b>S Fund</b>	\$84.9	8.7%	\$106.2	10.9%
<b>I Fund</b>	\$43.2	4.4%	\$100.2	10.3%
<b>L Funds</b>	\$244.8	25.1%	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>	\$974.6	100.0%	\$974.6	100.0%

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

## Lifecycle (L) Funds

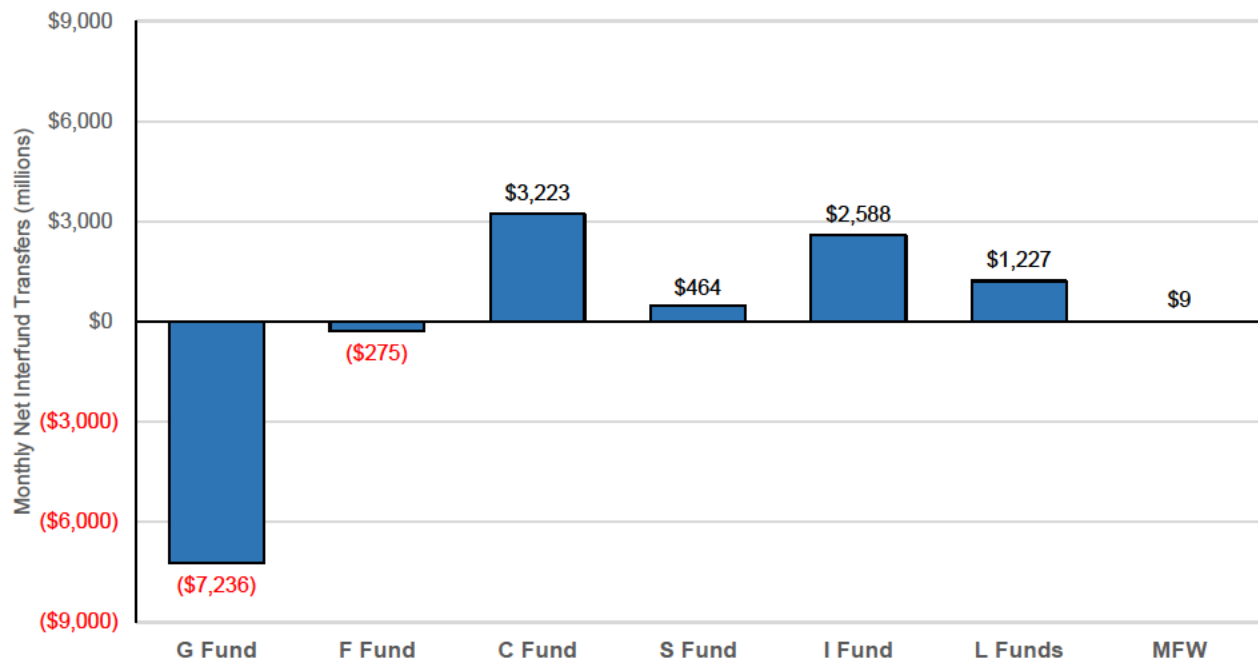


## Participation History of the L Funds as of May 31, 2025



## Interfund Transfer Activity

### Monthly Net Interfund Transfers May 2025



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