



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: March 25, 2025

SUBJECT: February 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.

***February 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>	2.20%	-1.30%	-5.79%	0.14%
	<b>BlackRock</b>	2.20%	-1.30%	-5.81%	0.91%
	<b>State Street</b>	2.22%	-1.30%	-5.78%	0.93%
	<b>TSP Fund (Net)</b>	2.20%	-1.30%	-5.80%	0.91%
<b>Benchmark Difference</b>	<b>BlackRock</b>	0.00%	0.00%	-0.02%	0.77%
	<b>State Street</b>	0.02%	0.00%	0.01%	0.79%
	<b>TSP Fund</b>	0.00%	0.00%	-0.02%	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 exceeded the International Index by 77 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 exceeded the International Index by 79 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>
<b>Return</b>	<b>Index</b>	2.74%	1.44%	-1.09%	4.12%
	<b>BlackRock</b>	2.73%	1.45%	-1.10%	4.64%
	<b>State Street</b>	2.75%	1.44%	-1.07%	4.61%
	<b>TSP Fund (Net)</b>	2.73%	1.44%	-1.10%	4.63%
<b>Benchmark Difference</b>	<b>BlackRock</b>	-0.01%	0.00%	-0.01%	0.52%
	<b>State Street</b>	0.01%	0.00%	0.02%	0.49%
	<b>TSP Fund</b>	-0.01%	0.00%	-0.01%	0.51%

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 52 basis points, primarily due to fair value pricing.

Year-to-date, State Street'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 49 basis points, primarily due to fair value pricing.

***TSP Net Returns as of February 28, 2025***

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>G Fund</b>	4.49%	4.03%	2.87%	2.57%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>F Fund</b>	5.79%	-0.36%	-0.44%	1.64%
<b>Bloomberg US Agg Bond Index</b>	5.81%	-0.44%	-0.52%	1.51%
<b>Benchmark Difference</b>	-0.02%	0.07%	0.08%	0.13%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>C Fund</b>	18.36%	12.51%	16.81%	12.96%
<b>S&amp;P 500 Index</b>	18.41%	12.55%	16.85%	12.98%
<b>Benchmark Difference</b>	-0.05%	-0.04%	-0.04%	-0.02%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>S Fund</b>	11.76%	5.91%	11.62%	8.97%
<b>Dow Jones US Completion TSM Index</b>	11.70%	5.69%	11.48%	8.75%
<b>Benchmark Difference</b>	0.06%	0.21%	0.14%	0.21%

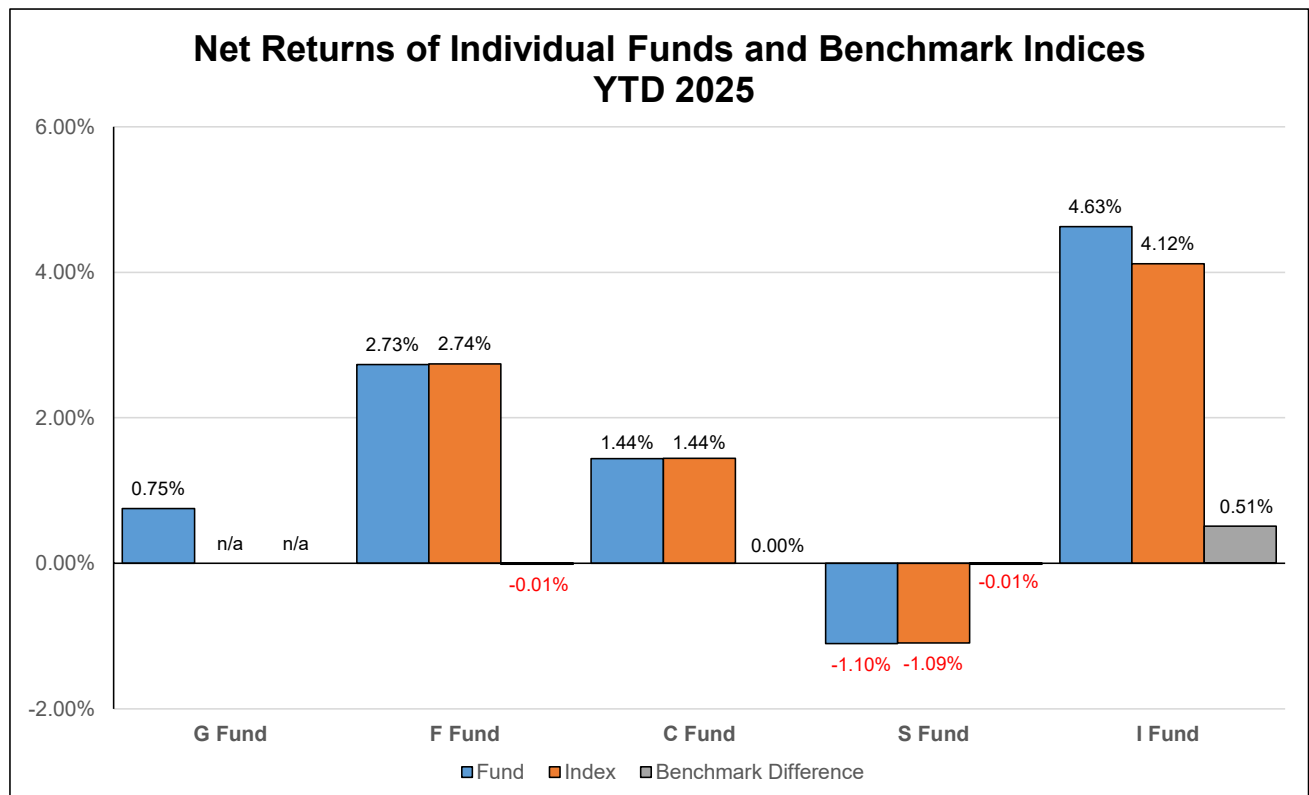
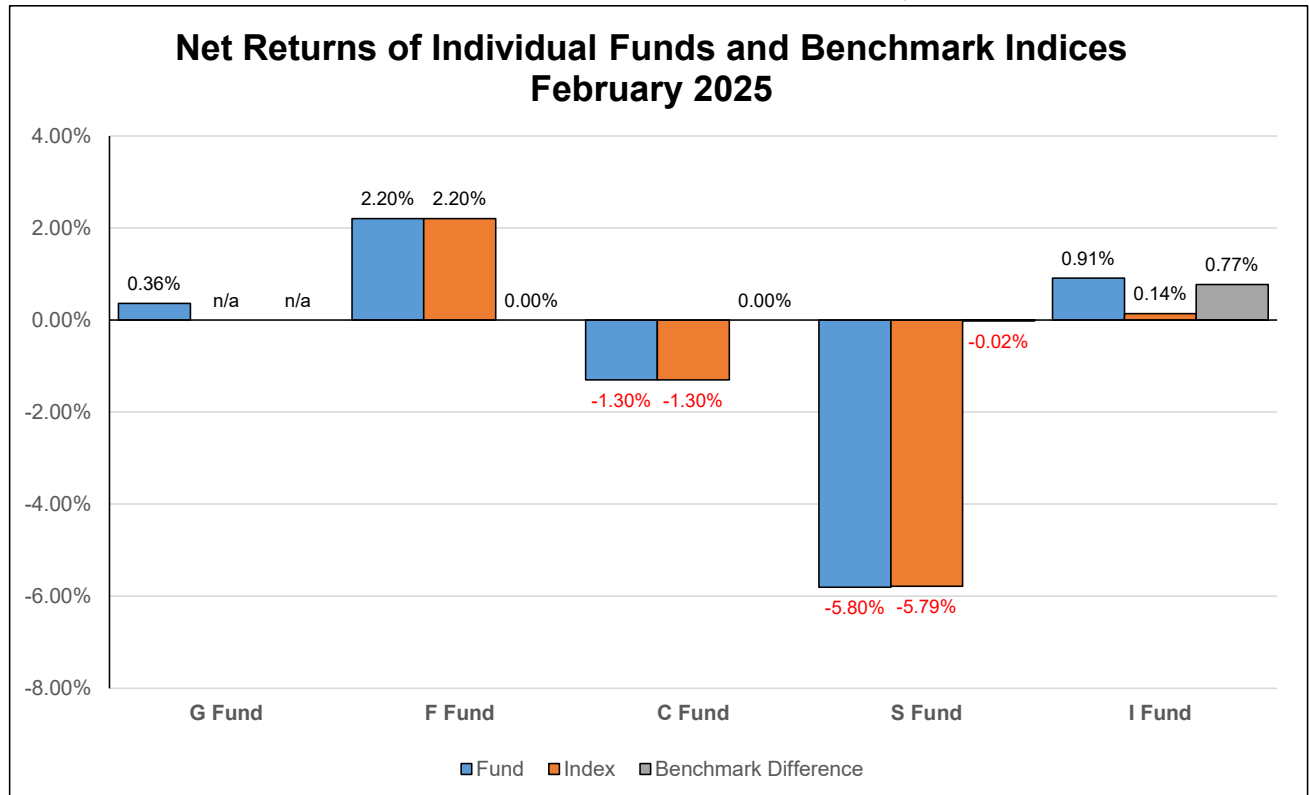
	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>I Fund</b>	6.42%	5.92%	8.34%	5.37%
<b>International Index*</b>	5.93%	5.49%	8.13%	5.00%
<b>Benchmark Difference</b>	0.49%	0.43%	0.22%	0.38%

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

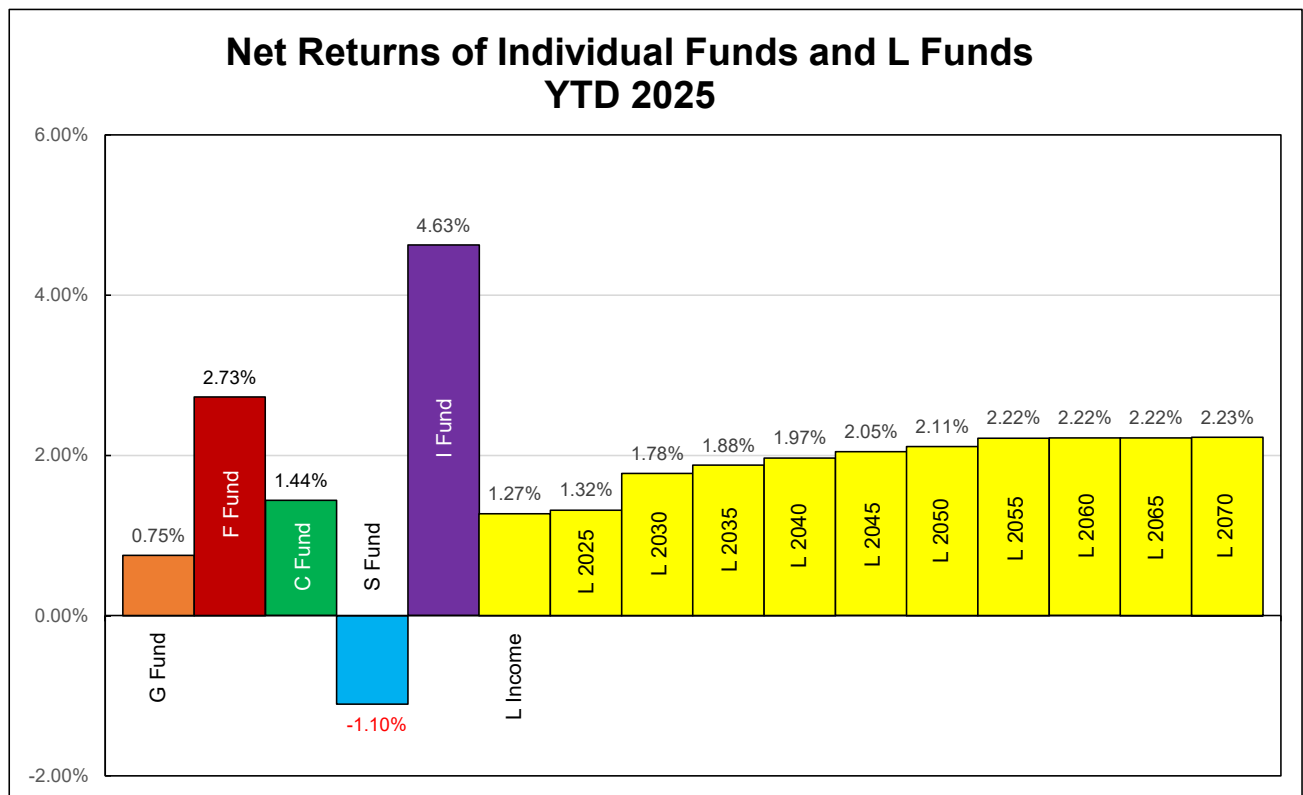
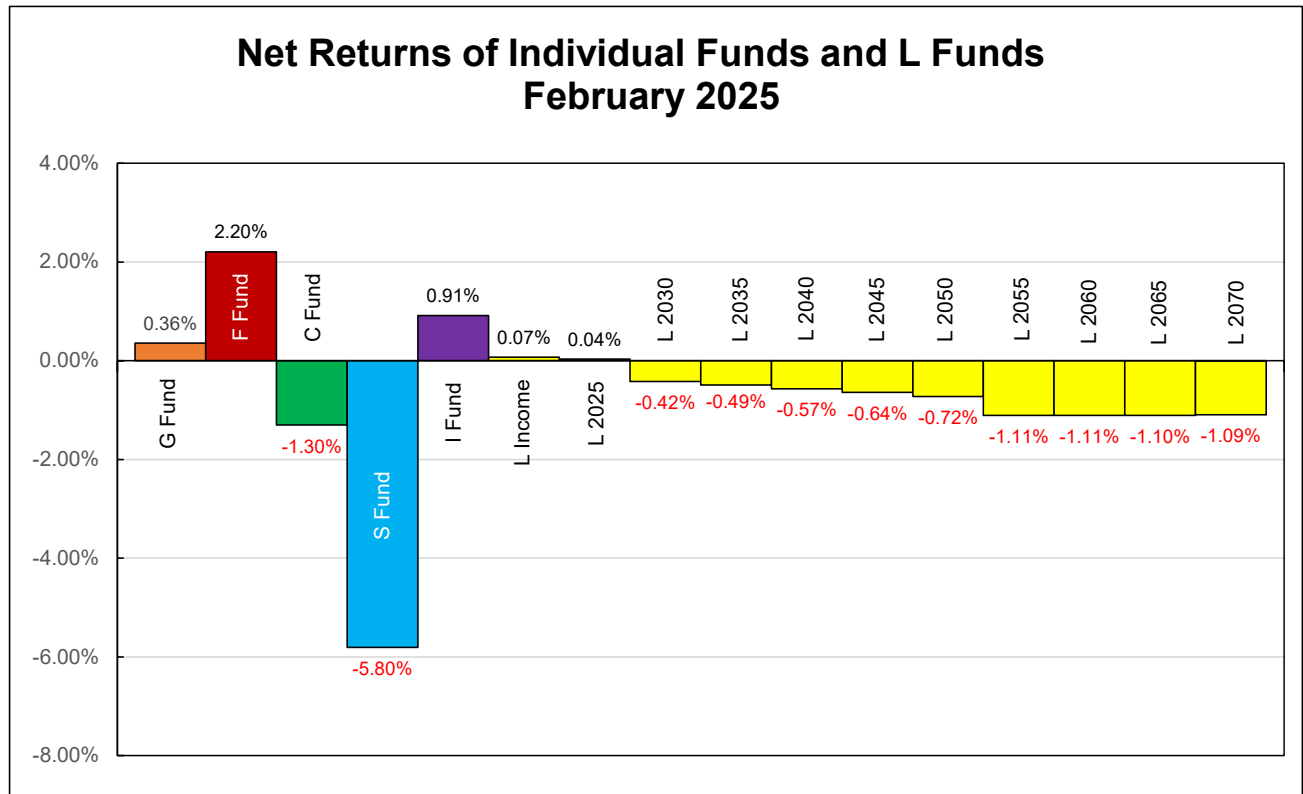
	<b>Inception Date</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>L Income Fund</b>	August 1, 2005	6.96%	5.50%	5.35%	4.38%
<b>L 2025 Fund</b>	July 1, 2020	7.54%	5.61%	N/A	N/A
<b>L 2030 Fund</b>	August 1, 2005	10.03%	7.34%	9.19%	7.23%
<b>L 2035 Fund</b>	July 1, 2020	10.55%	7.59%	N/A	N/A
<b>L 2040 Fund</b>	August 1, 2005	11.05%	7.86%	10.31%	8.01%
<b>L 2045 Fund</b>	July 1, 2020	11.48%	8.05%	N/A	N/A
<b>L 2050 Fund</b>	January 31, 2011	11.90%	8.28%	11.27%	8.67%
<b>L 2055 Fund</b>	July 1, 2020	13.25%	9.36%	N/A	N/A
<b>L 2060 Fund</b>	July 1, 2020	13.25%	9.36%	N/A	N/A
<b>L 2065 Fund</b>	July 1, 2020	13.25%	9.35%	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.

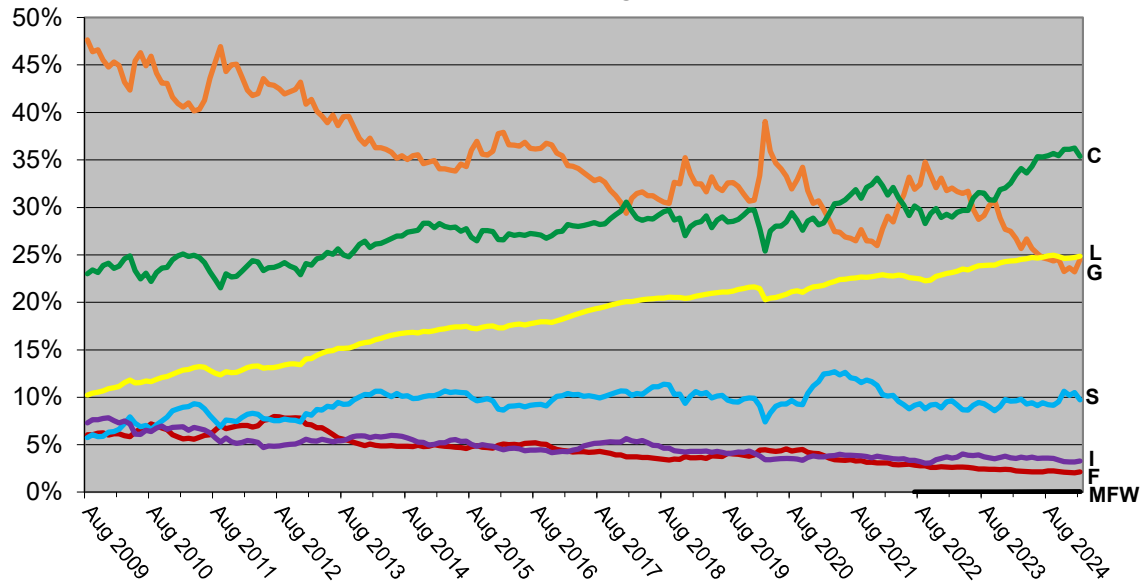


Net rates of return for the L Funds are shown below, along with comparable returns for the G, F, C, S, and I Funds.



## Asset Allocation

### Participant Asset Allocation History as of February 28, 2025

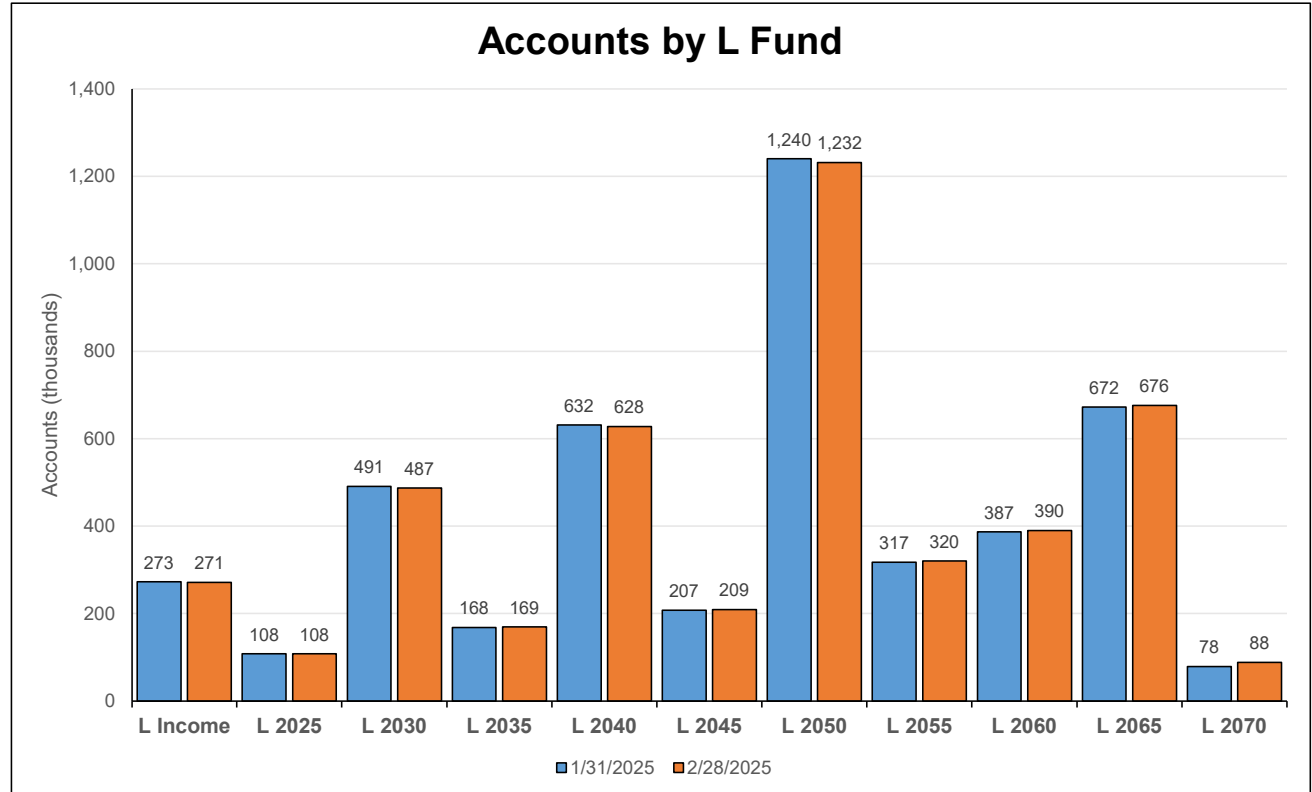
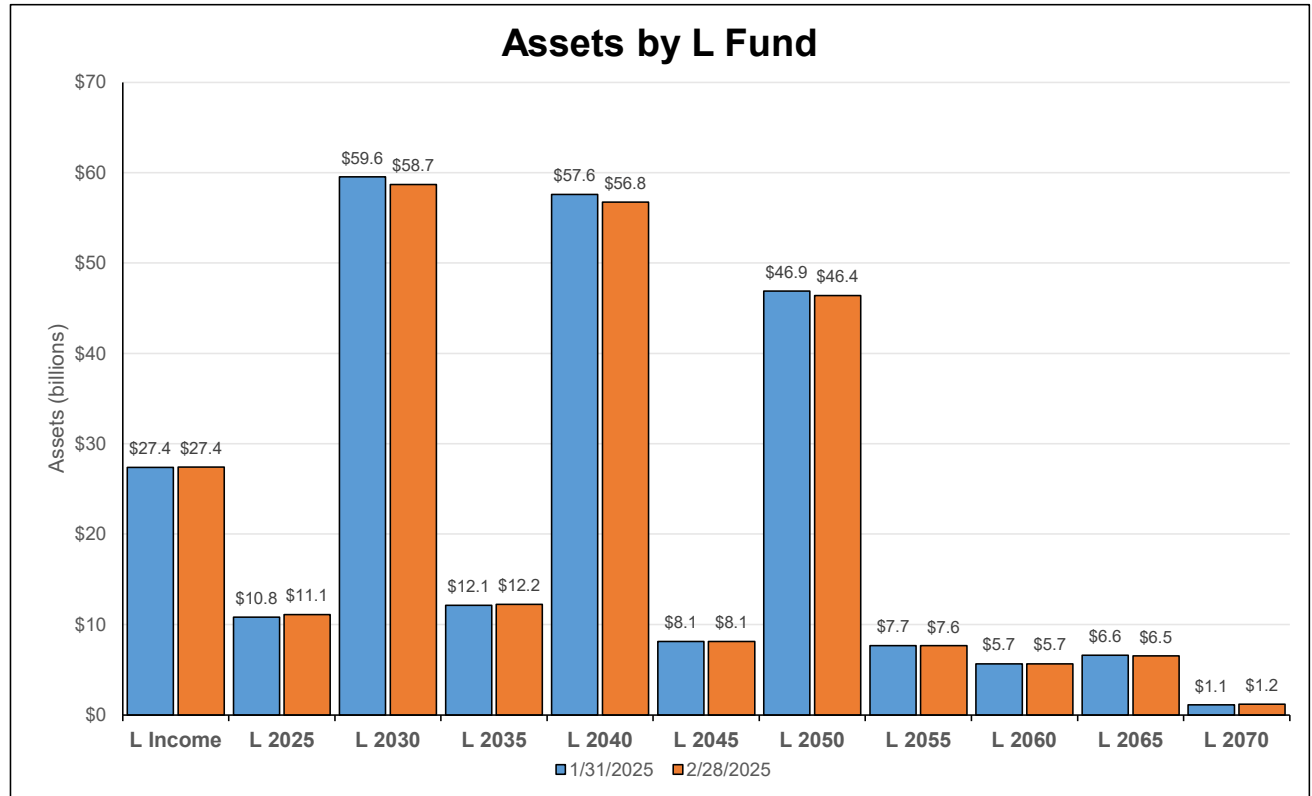


### Asset Allocation as of February 28, 2025

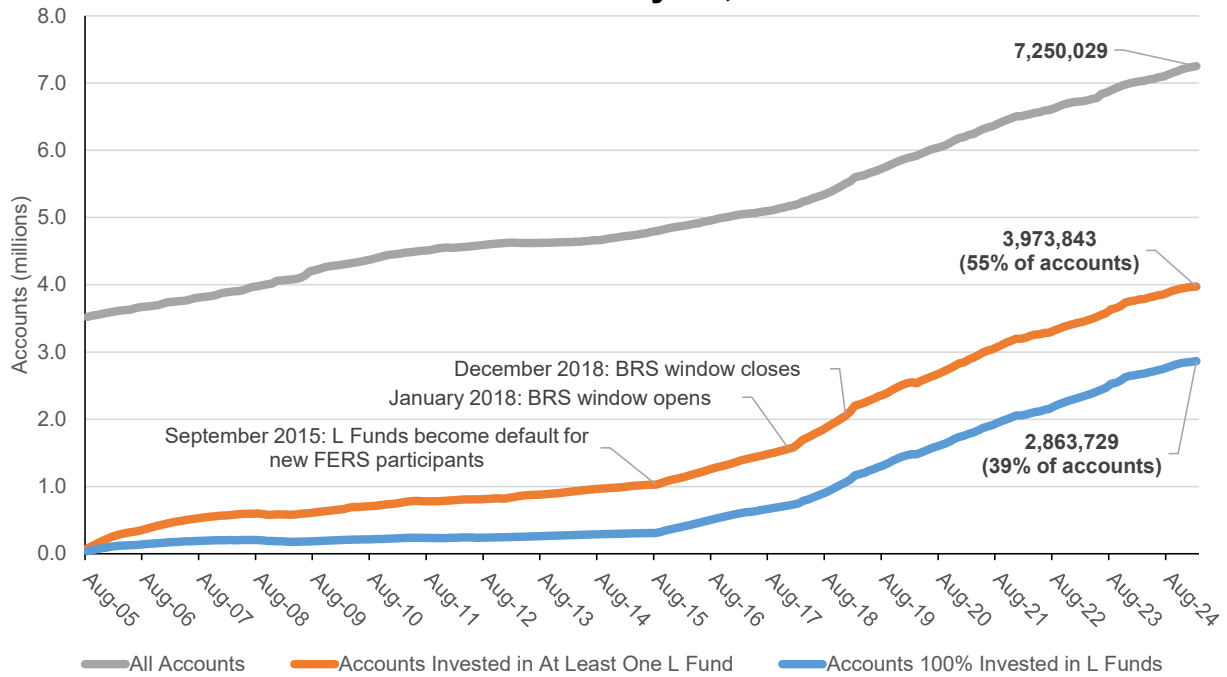
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets</u> (Billions)	<u>Share of</u> Total	<u>Assets</u> (Billions)	<u>Share of</u> Total
<b>G Fund</b>	\$238.4	24.5%	\$305.9	31.5%
<b>F Fund</b>	\$21.0	2.2%	\$35.2	3.6%
<b>C Fund</b>	\$344.0	35.4%	\$427.5	44.0%
<b>S Fund</b>	\$94.6	9.7%	\$115.7	11.9%
<b>I Fund</b>	\$32.1	3.3%	\$87.5	9.0%
<b>L Funds</b>	\$241.7	24.9%	n/a	n/a
<b><u>MFW</u></b>	<u>\$0.5</u>	<u>0.1%</u>	<u>\$0.5</u>	<u>0.1%</u>
<b>Total</b>	\$972.3	100.0%	\$972.3	100.0%

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

## Lifecycle (L) Funds

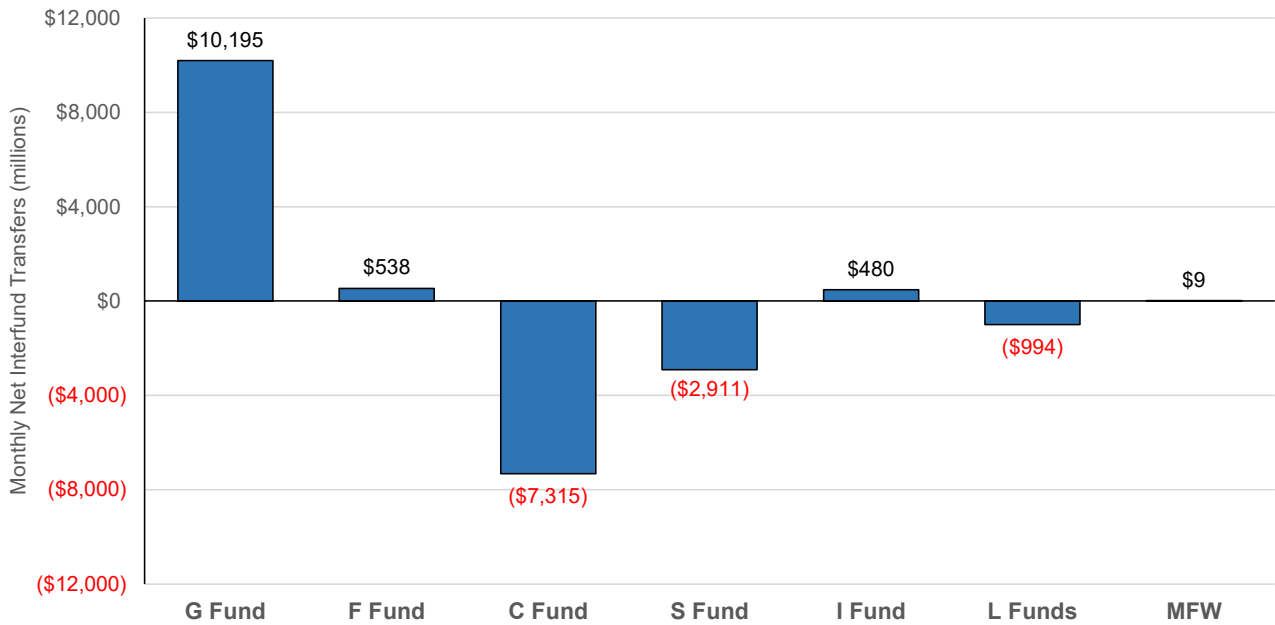


## Participation History of the L Funds as of February 28, 2025



## Interfund Transfer Activity

### Monthly Net Interfund Transfers February 2025



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