



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: November 20, 2025

SUBJECT: October 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.

***October 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>	0.62%	2.34%	1.16%	2.36%
	<b>BlackRock</b>	0.62%	2.34%	1.16%	2.09%
	<b>State Street</b>	0.63%	2.34%	1.16%	2.29%
	<b>TSP Fund (Net)</b>	0.62%	2.34%	1.16%	2.13%
<b>Benchmark Difference</b>	<b>BlackRock</b>	0.00%	0.00%	0.01%	-0.27%
	<b>State Street</b>	0.00%	0.00%	0.00%	-0.06%
	<b>TSP Fund</b>	0.00%	0.00%	0.00%	-0.23%

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 27 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 6 basis points, primarily due to tax accruals for unrealized capital gains.

**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>	6.80%	17.52%	12.47%	27.45%
	<b>BlackRock</b>	6.82%	17.52%	12.49%	28.06%
	<b>State Street</b>	6.84%	17.52%	12.56%	28.00%
	<b>TSP Fund (Net)</b>	6.80%	17.49%	12.47%	28.01%
<b>Benchmark Difference</b>	<b>BlackRock</b>	0.03%	0.00%	0.02%	0.61%
	<b>State Street</b>	0.05%	0.00%	0.09%	0.55%
	<b>TSP Fund</b>	0.00%	-0.03%	0.01%	0.55%

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 was ahead of the International Index by 61 basis points, primarily due to tax advantage and fair value pricing.

Year-to-date, State Street's performance for the F Fund was ahead of the Fixed Income Index's return by 5 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 9 basis points, primarily due to securities lending and securities sampling. For the I Fund, State Street was ahead of the International Index by 55 basis points, primarily due to tax advantage and fair value pricing.

**Annualized Net Returns as of October 31, 2025**

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>G Fund</b>	4.47%	4.35%	3.37%	2.73%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>F Fund</b>	6.17%	5.58%	-0.15%	2.01%
<b>Bloomberg US Agg Bond Index</b>	6.16%	5.60%	-0.24%	1.90%
<b>Benchmark Difference</b>	0.01%	-0.02%	0.09%	0.11%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>C Fund</b>	21.41%	22.63%	17.61%	14.61%
<b>S&amp;P 500 Index</b>	21.45%	22.68%	17.64%	14.64%
<b>Benchmark Difference</b>	-0.04%	-0.05%	-0.03%	-0.02%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>S Fund</b>	17.07%	16.85%	11.63%	10.90%
<b>Dow Jones US Completion TSM Index</b>	17.06%	16.73%	11.45%	10.72%
<b>Benchmark Difference</b>	0.01%	0.11%	0.17%	0.18%

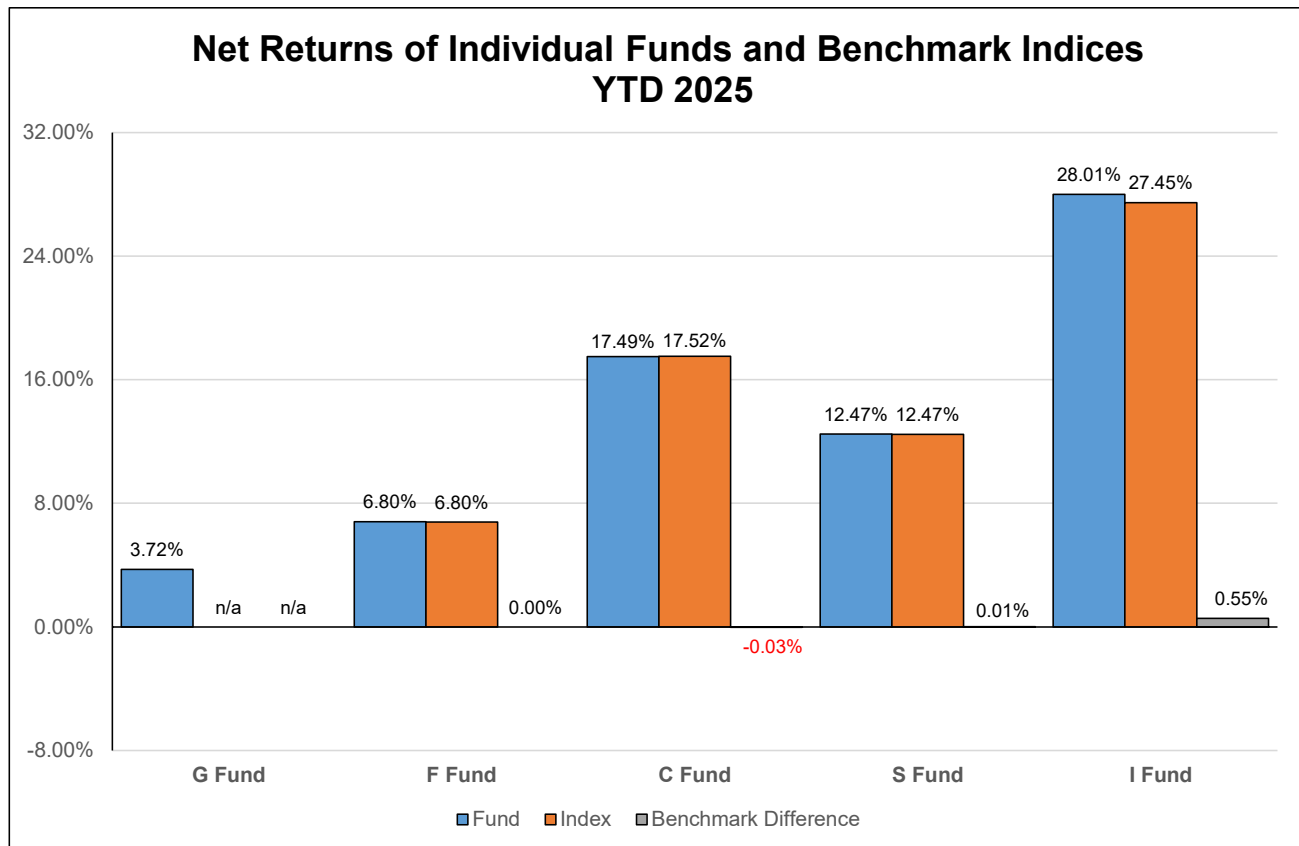
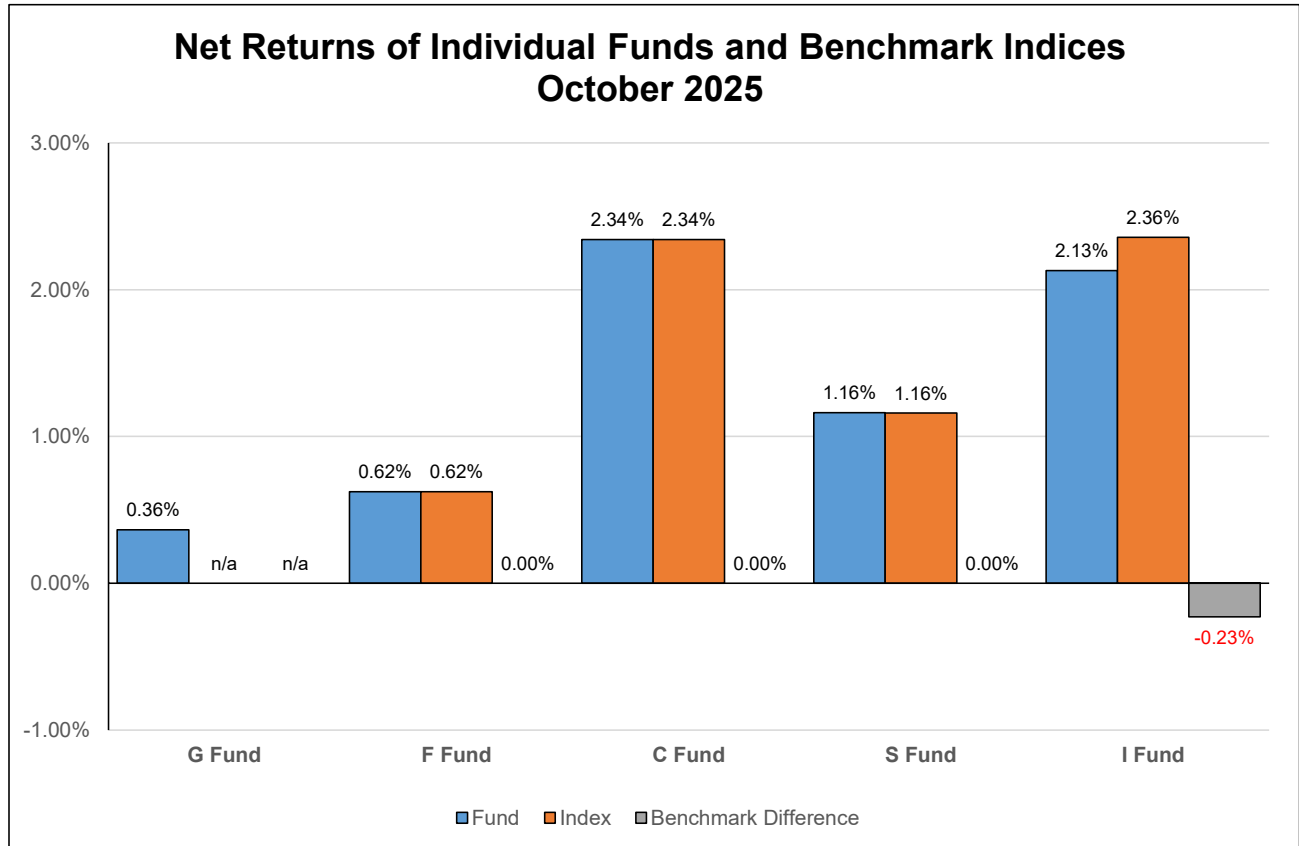
	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>I Fund</b>	24.37%	20.82%	12.87%	8.01%
<b>International Index*</b>	23.79%	20.47%	12.56%	7.59%
<b>Benchmark Difference</b>	0.58%	0.34%	0.32%	0.42%

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

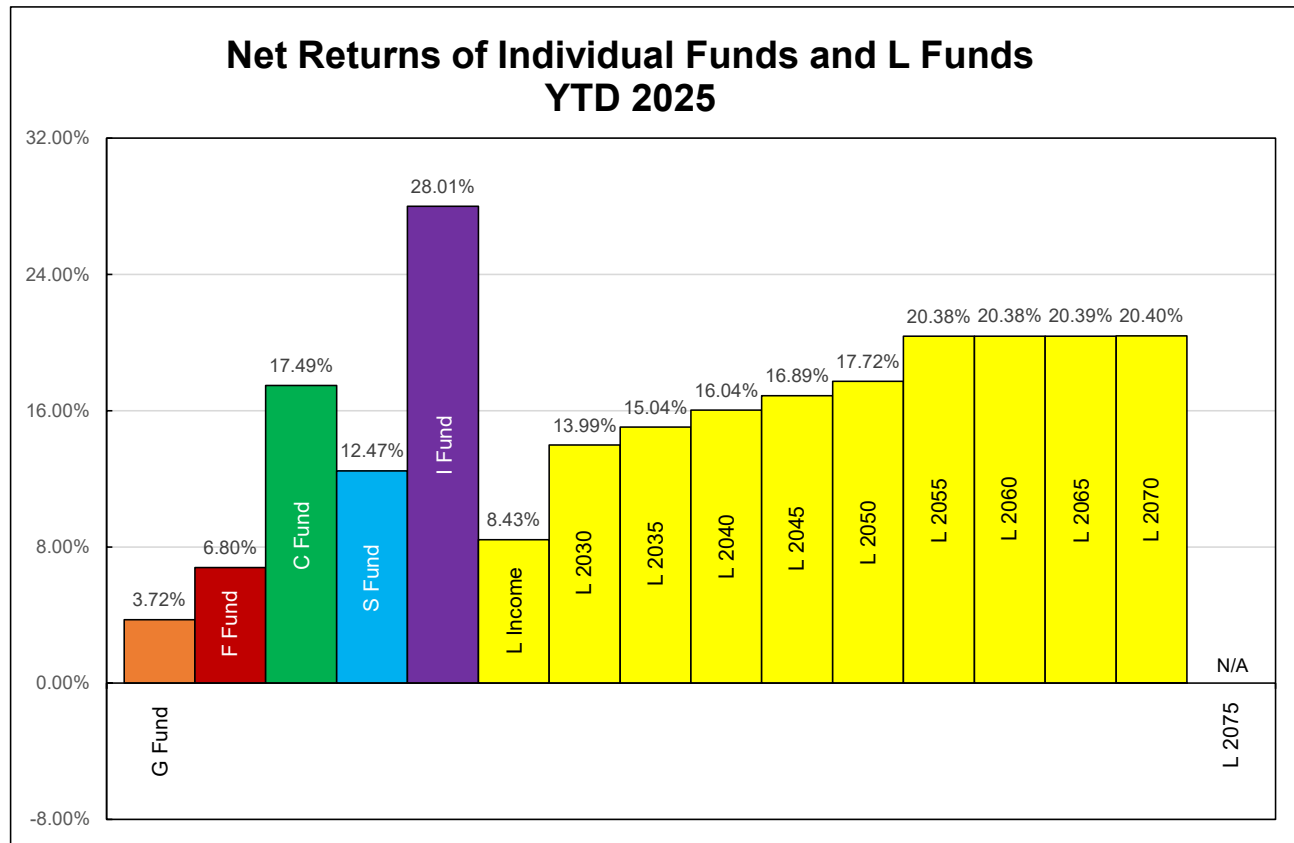
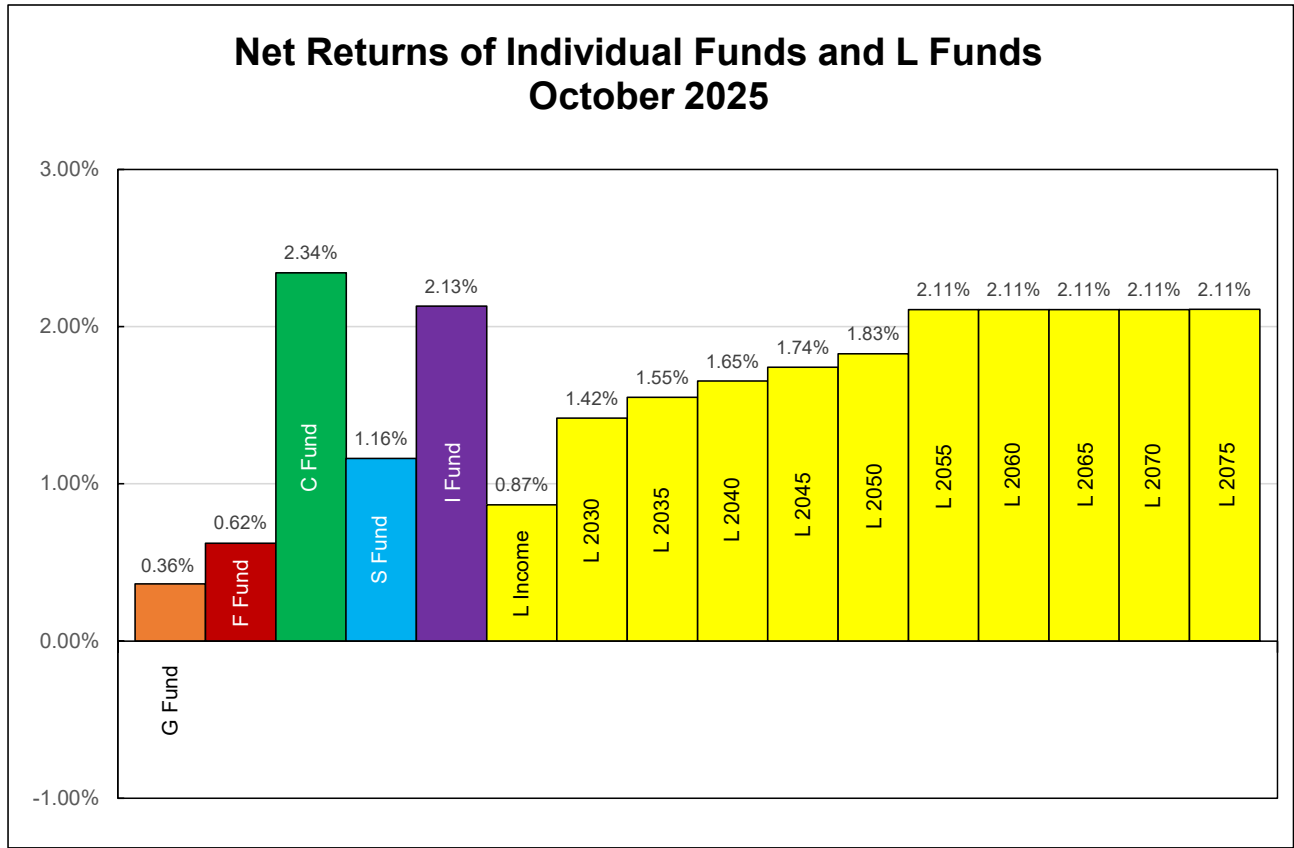
	<b>Inception Date</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>L Income Fund</b>	August 1, 2005	9.33%	8.80%	6.26%	5.00%
<b>L 2030 Fund</b>	August 1, 2005	15.16%	14.66%	10.51%	8.54%
<b>L 2035 Fund</b>	July 1, 2020	16.24%	15.68%	11.16%	N/A
<b>L 2040 Fund</b>	August 1, 2005	17.28%	16.67%	11.82%	9.55%
<b>L 2045 Fund</b>	July 1, 2020	18.16%	17.52%	12.37%	N/A
<b>L 2050 Fund</b>	January 31, 2011	19.03%	18.37%	12.94%	10.40%
<b>L 2055 Fund</b>	July 1, 2020	21.92%	21.21%	15.17%	N/A
<b>L 2060 Fund</b>	July 1, 2020	21.92%	21.21%	15.17%	N/A
<b>L 2065 Fund</b>	July 1, 2020	21.92%	21.22%	15.16%	N/A
<b>L 2070 Fund</b>	July 26, 2024	21.93%	N/A	N/A	N/A
<b>L 2075 Fund</b>	June 30, 2025	N/A	N/A	N/A	N/A

**Performance of TSP Funds**

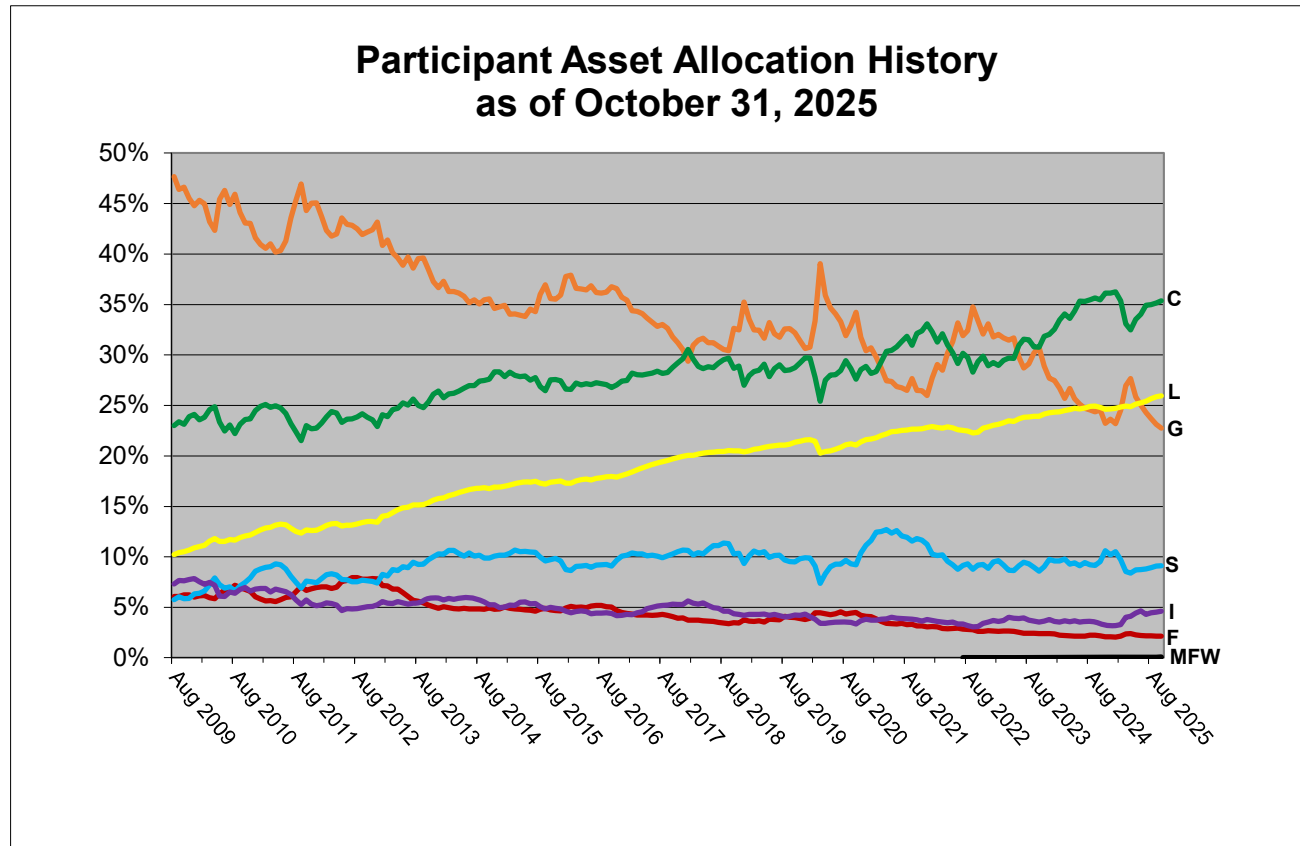
The charts below show the G, F, C, S, and I Fund net rates of return vs. their respective benchmark indices.



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**

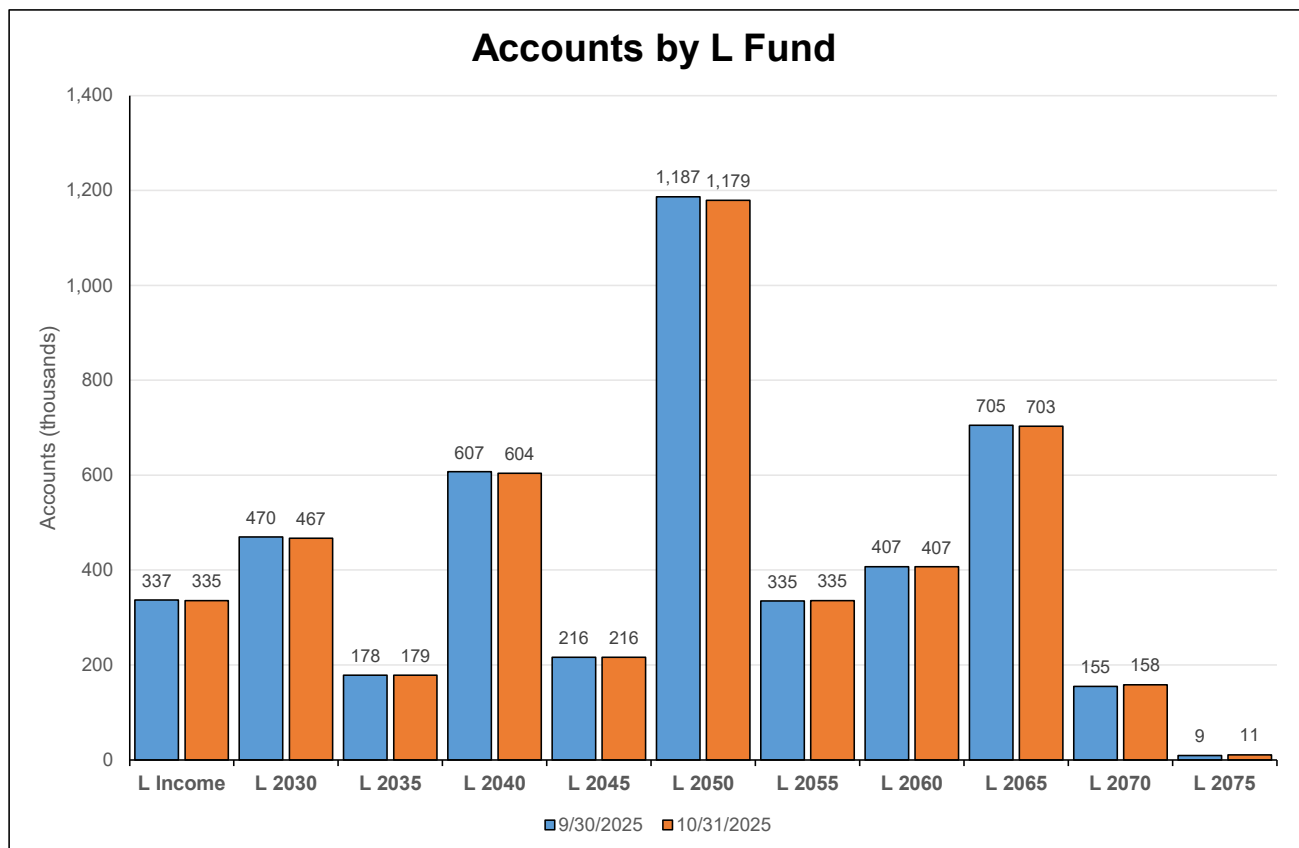
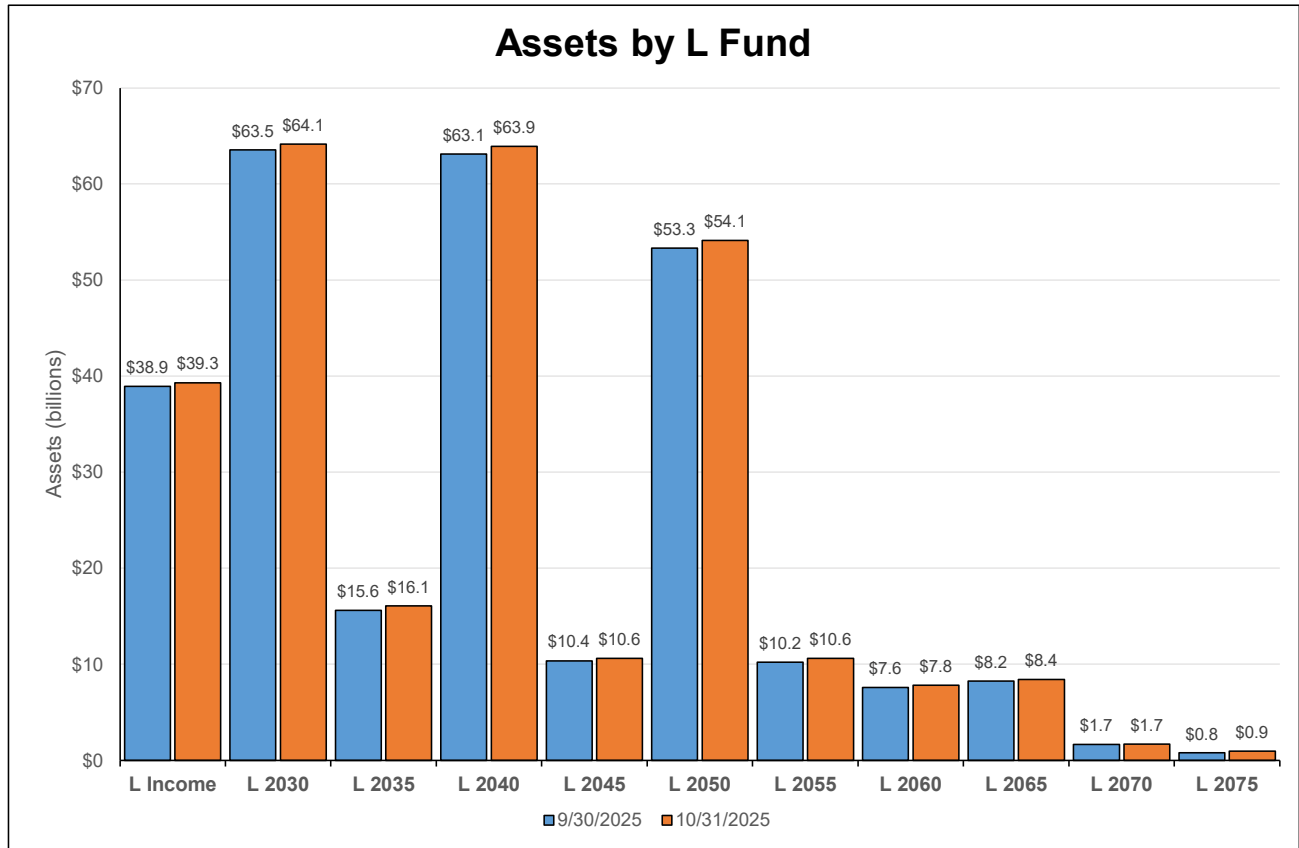


### Asset Allocation as of October 31, 2025

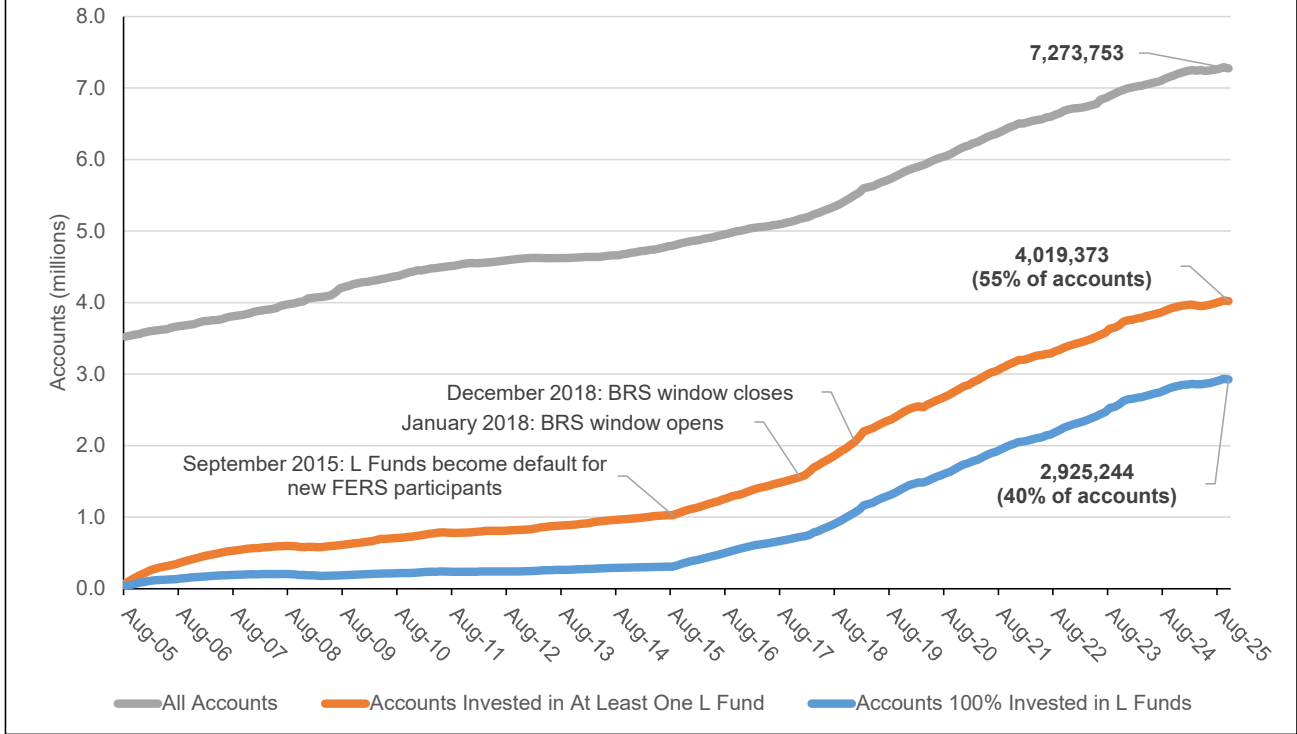
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	Assets (Billions)	Share of Total	Assets (Billions)	Share of Total
<b>G Fund</b>	\$243.4	22.7%	\$318.8	29.8%
<b>F Fund</b>	\$23.1	2.2%	\$38.8	3.6%
<b>C Fund</b>	\$378.5	35.4%	\$475.5	44.4%
<b>S Fund</b>	\$97.5	9.1%	\$122.0	11.4%
<b>I Fund</b>	\$49.5	4.6%	\$114.5	10.7%
<b>L Funds</b>	\$277.7	25.9%	n/a	n/a
<b><u>MFW</u></b>	<u>\$0.8</u>	<u>0.1%</u>	<u>\$0.8</u>	<u>0.1%</u>
<b>Total</b>	\$1,070.4	100.0%	\$1,070.4	100.0%

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

## Lifecycle (L) Funds



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



### Interfund Transfer Activity

