



MEMORANDUM FOR BOARD MEMBERS

GERBER, BILYEU, BRIDGES,  
AND OLIVARES

FROM: Sean McCaffrey, Chief Investment Officer

DATE: February 24, 2026

SUBJECT: January 2026 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 2026 Returns and Benchmark Differences***

		<b><u>Fixed Income</u></b> <b><u>(F Fund)</u></b>	<b><u>Large Cap</u></b> <b><u>(C Fund)</u></b>	<b><u>Small Mid Cap</u></b> <b><u>(S Fund)</u></b>	<b><u>International</u></b> <b><u>(I Fund)</u></b>
<b>Return</b>	<b>Index</b>	0.11%	1.45%	2.38%	6.09%
	<b>BlackRock</b>	0.20%	1.45%	2.41%	5.91%
	<b>State Street</b>	0.21%	1.45%	2.41%	6.06%
	<b>TSP Fund (Net)</b>	0.20%	1.45%	2.41%	5.94%
<b>Benchmark Difference</b>	<b>BlackRock</b>	0.10%	0.00%	0.03%	-0.18%
	<b>State Street</b>	0.10%	0.00%	0.03%	-0.03%
	<b>TSP Fund</b>	0.10%	0.00%	0.03%	-0.15%

BlackRock’s performance for the F Fund was ahead of the Fixed Income index’s return by 10 basis points, primarily due to a difference in the timing of pricing by the index provider and by BlackRock on the last trading day of December 2025. Its performance for the C Fund was in line with the Large Cap Index. For the S Fund, BlackRock was ahead of the Small Mid Cap Index by 3 basis points, primarily due to futures mistracking. Its performance for the I Fund lagged the International Index by 18 basis points, primarily due to fair value pricing.

State Street’s performance for the F Fund was ahead of the Fixed Income Index’s return by 10 basis points, primarily due to a difference in the timing of pricing by the index provider and by State Street on the last trading day of December 2025. 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 3 basis points, primarily due to securities sampling. Its performance for the I Fund lagged the International Index by 3 basis points, primarily due to futures mistracking.

**Annualized Net Returns as of January 31, 2026**

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>G Fund</b>	4.42%	4.37%	3.54%	2.78%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>F Fund</b>	6.88%	3.64%	-0.12%	1.98%
<b>Bloomberg US Agg Bond Index</b>	6.85%	3.65%	-0.20%	1.88%
<b>Benchmark Difference</b>	0.03%	-0.01%	0.08%	0.10%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>C Fund</b>	16.32%	21.07%	14.95%	15.54%
<b>S&amp;P 500 Index</b>	16.35%	21.11%	14.99%	15.57%
<b>Benchmark Difference</b>	-0.03%	-0.04%	-0.03%	-0.03%

	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>S Fund</b>	8.64%	14.68%	6.15%	12.33%
<b>Dow Jones US Completion TSM Index</b>	8.57%	14.54%	5.97%	12.16%
<b>Benchmark Difference</b>	0.07%	0.14%	0.18%	0.16%

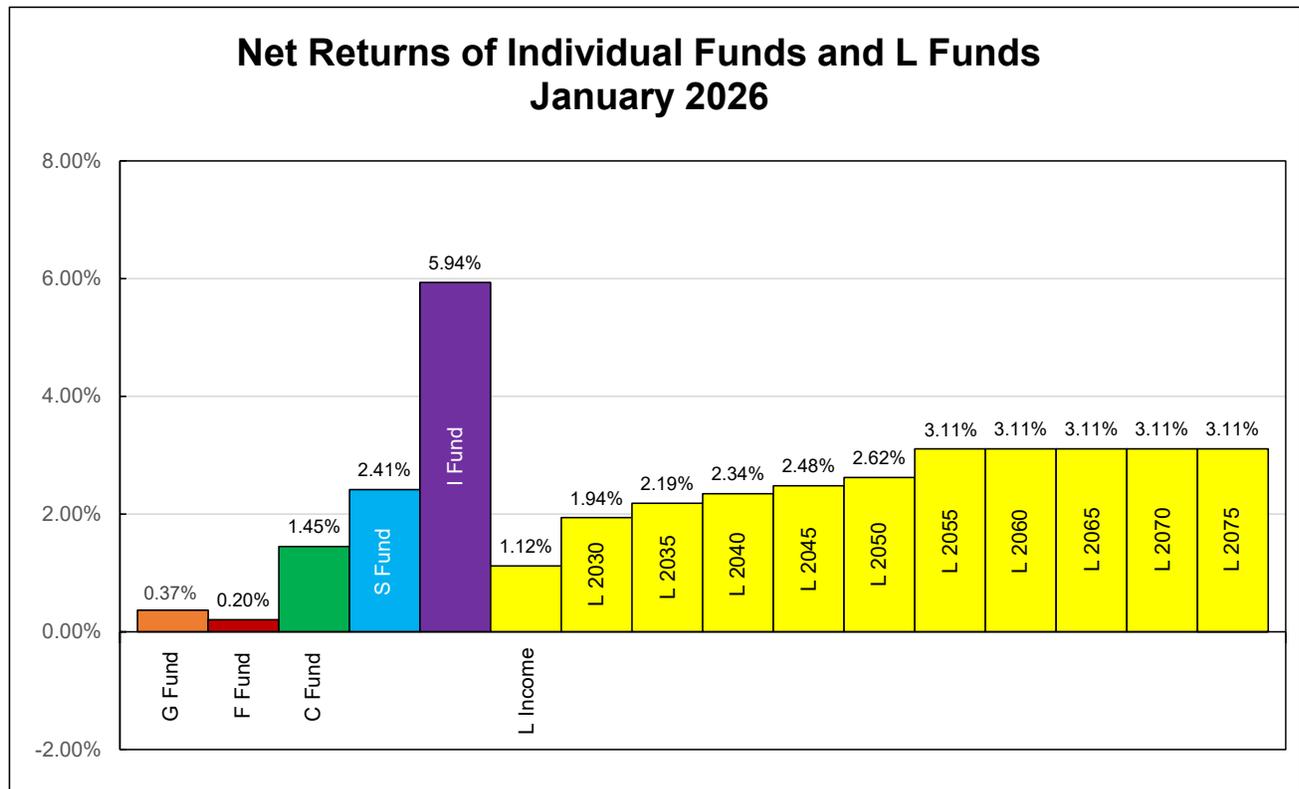
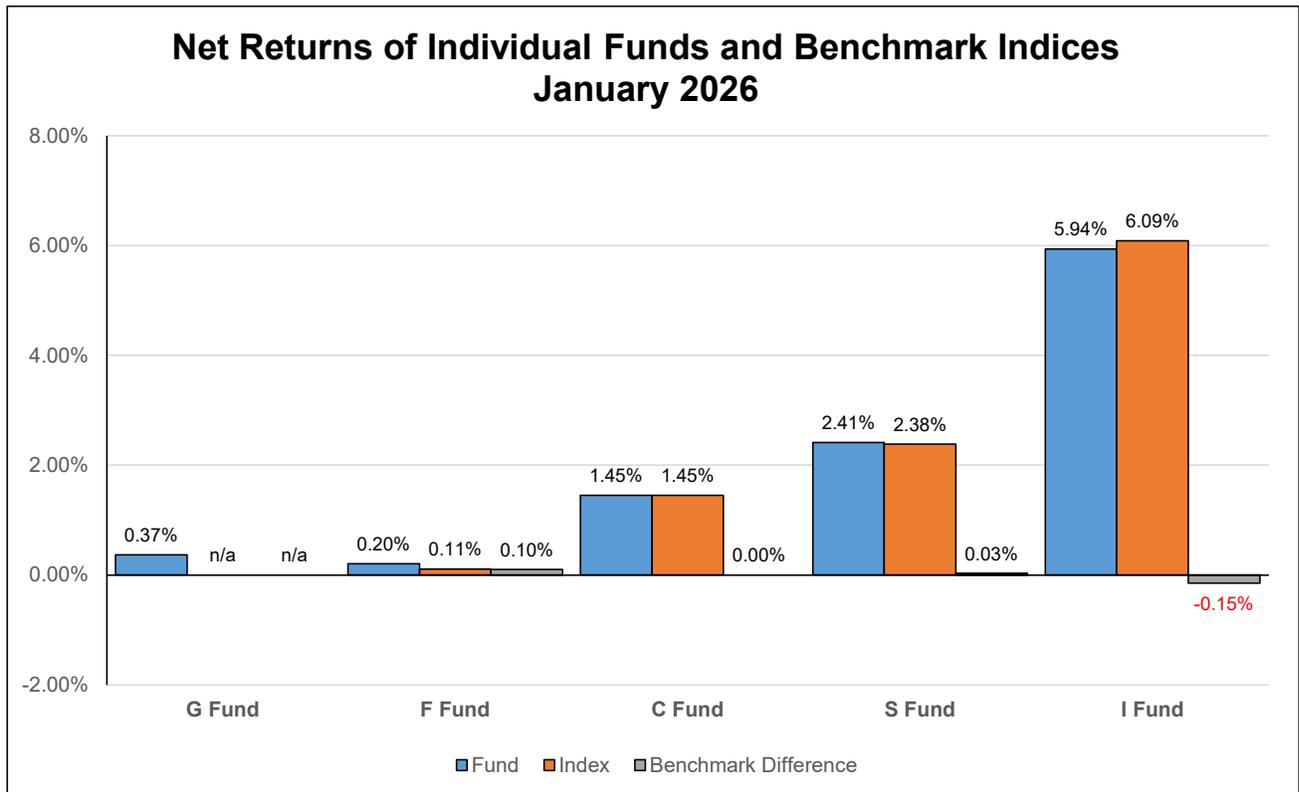
	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>I Fund</b>	35.33%	16.89%	10.93%	9.96%
<b>International Index*</b>	34.69%	16.87%	10.67%	9.75%
<b>Benchmark Difference</b>	0.64%	0.03%	0.26%	0.21%

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

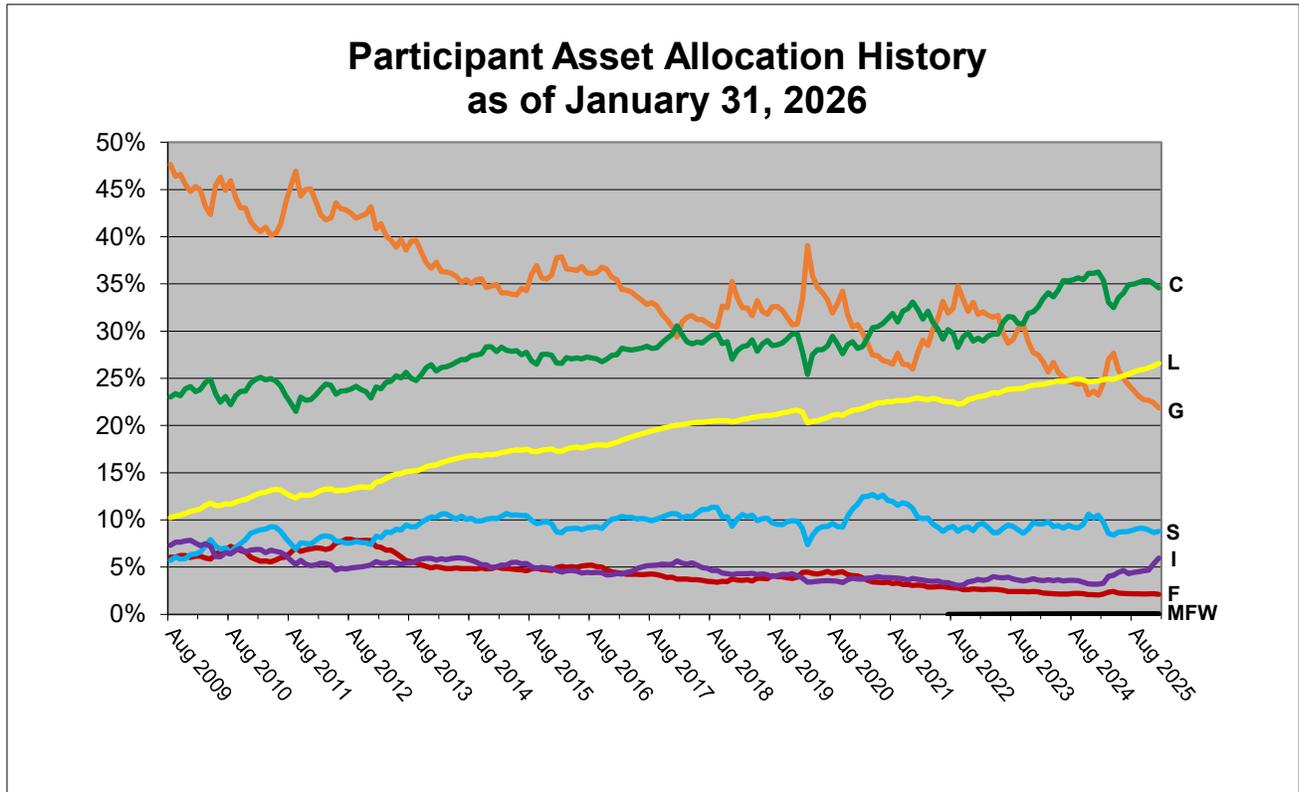
	<b>Inception Date</b>	<b>1-Year</b>	<b>3-Year</b>	<b>5-Year</b>	<b>10-Year</b>
<b>L Income Fund</b>	August 1, 2005	9.27%	8.17%	5.85%	5.32%
<b>L 2030 Fund</b>	August 1, 2005	14.87%	13.06%	8.91%	9.38%
<b>L 2035 Fund</b>	July 1, 2020	16.05%	13.94%	9.40%	N/A
<b>L 2040 Fund</b>	August 1, 2005	17.07%	14.78%	9.87%	10.55%
<b>L 2045 Fund</b>	July 1, 2020	17.94%	15.49%	10.25%	N/A
<b>L 2050 Fund</b>	January 31, 2011	18.80%	16.20%	10.65%	11.55%
<b>L 2055 Fund</b>	July 1, 2020	21.58%	18.74%	12.33%	N/A
<b>L 2060 Fund</b>	July 1, 2020	21.58%	18.74%	12.32%	N/A
<b>L 2065 Fund</b>	July 1, 2020	21.58%	18.74%	12.32%	N/A
<b>L 2070 Fund</b>	July 26, 2024	21.60%	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.



**Asset Allocation**

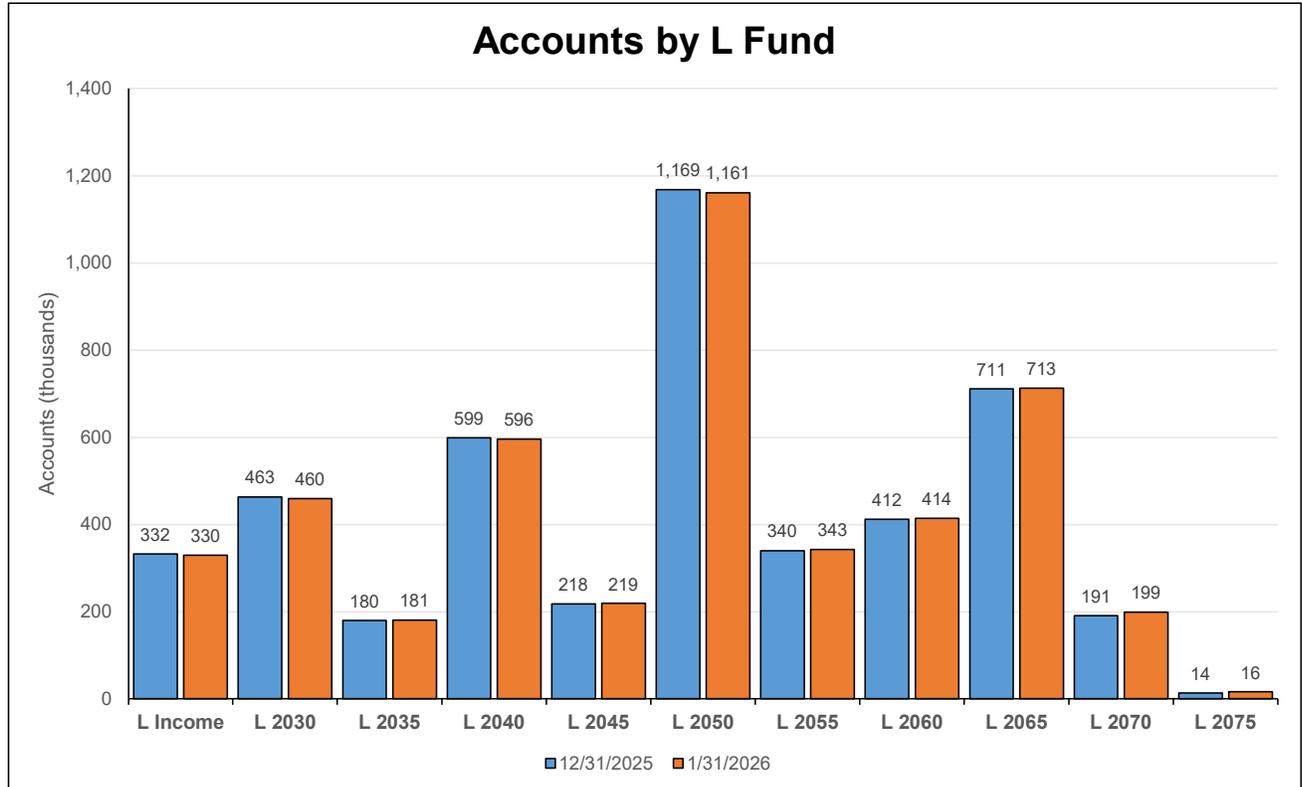
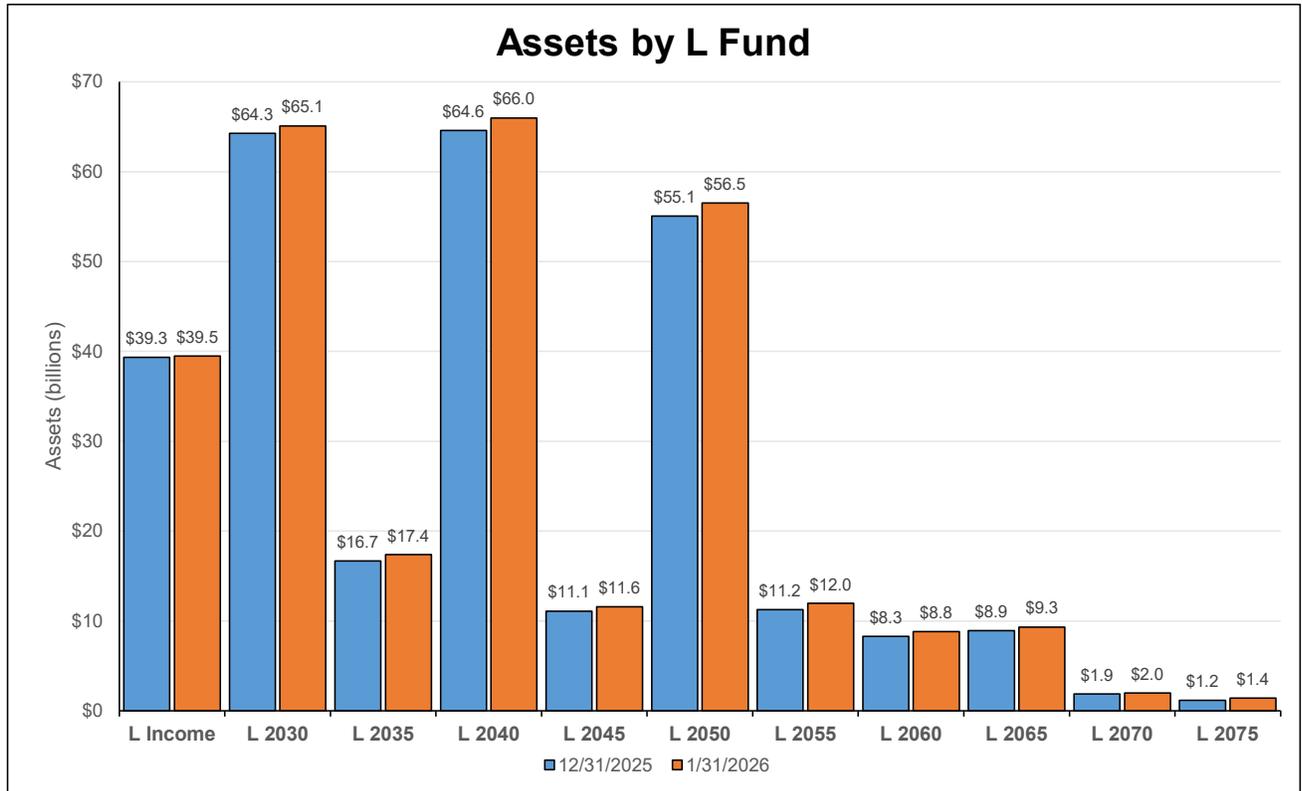


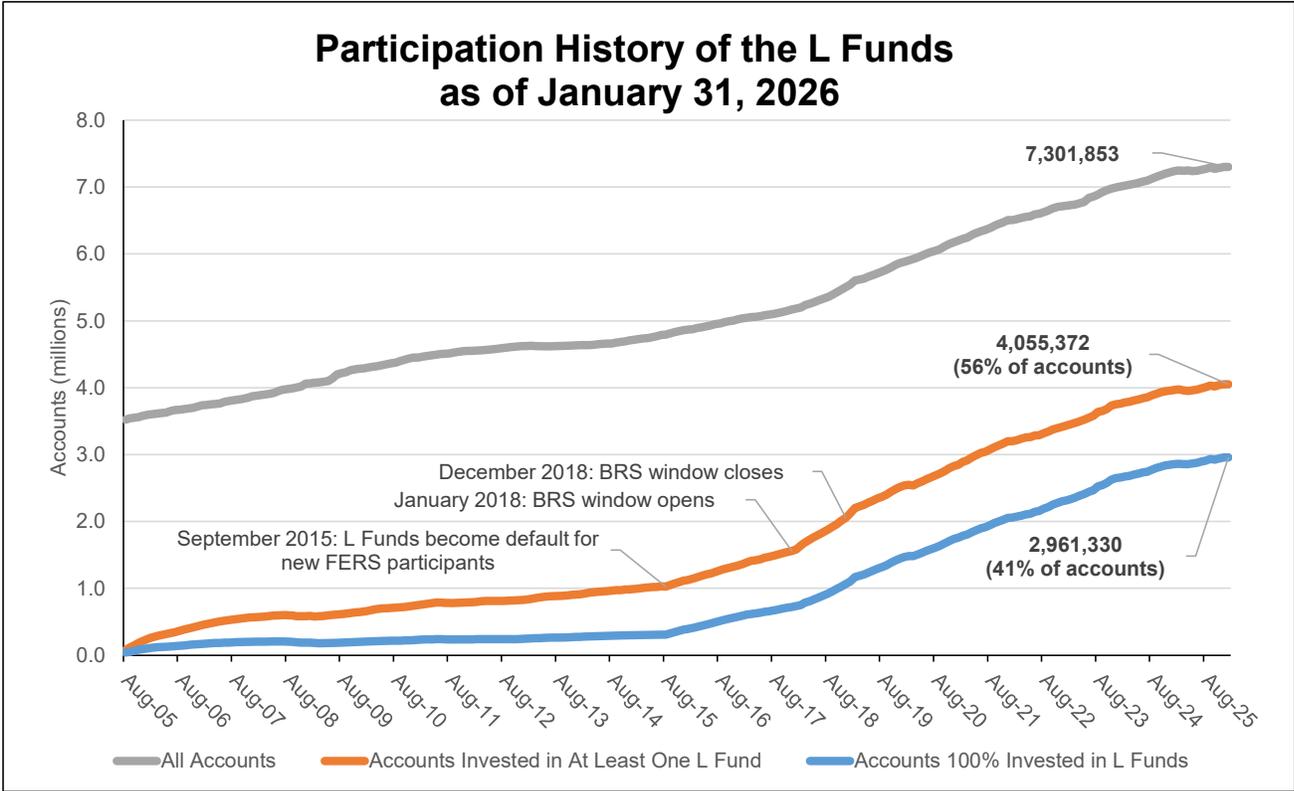
### Asset Allocation as of January 31, 2026

	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets (Billions)</u>	<u>Share of Total</u>	<u>Assets (Billions)</u>	<u>Share of Total</u>
<b>G Fund</b>	\$238.2	21.9%	\$316.8	29.1%
<b>F Fund</b>	\$23.1	2.1%	\$39.5	3.6%
<b>C Fund</b>	\$376.7	34.6%	\$478.3	43.9%
<b>S Fund</b>	\$95.7	8.8%	\$120.8	11.1%
<b>I Fund</b>	\$65.0	6.0%	\$132.9	12.2%
<b>L Funds</b>	\$289.5	26.6%	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>	\$1,089.0	100.0%	\$1,089.0	100.0%

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

## Lifecycle (L) Funds





**Interfund Transfer Activity**

