



MEMORANDUM FOR BOARD MEMBERS

GERBER, BILYEU, BRIDGES,
 AND OLIVARES

FROM: Mike Jerue, Chief Investment Officer

DATE: March 24, 2026

SUBJECT: February 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 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 2026 Returns and Benchmark Differences

		<u>Fixed Income</u> <u>(F Fund)</u>	<u>Large Cap</u> <u>(C Fund)</u>	<u>Small Mid Cap</u> <u>(S Fund)</u>	<u>International</u> <u>(I Fund)</u>
Return	Index	1.64%	-0.76%	1.06%	5.96%
	BlackRock	1.63%	-0.76%	1.08%	6.07%
	State Street	1.65%	-0.76%	1.08%	5.96%
	TSP Fund (Net)	1.63%	-0.76%	1.08%	6.05%
Benchmark Difference	BlackRock	-0.01%	0.00%	0.02%	0.12%
	State Street	0.01%	0.00%	0.01%	0.00%
	TSP Fund	-0.01%	0.00%	0.01%	0.09%

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 12 basis points, primarily due to fair value pricing.

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

2026 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>
Return	Index	1.75%	0.68%	3.47%	12.41%
	BlackRock	1.83%	0.68%	3.52%	12.34%
	State Street	1.86%	0.68%	3.52%	12.37%
	TSP Fund (Net)	1.84%	0.68%	3.52%	12.34%
Benchmark Difference	BlackRock	0.09%	0.00%	0.05%	-0.07%
	State Street	0.12%	0.00%	0.05%	-0.03%
	TSP Fund	0.09%	0.00%	0.05%	-0.06%

Year-to-date, BlackRock's performance for the F Fund was ahead of the Fixed Income Index by 9 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 5 basis points, primarily due to futures mistracking and securities lending. Its performance for the I Fund lagged the International Index by 7 basis points, primarily due to futures mistracking.

Year-to-date, State Street's performance for the F Fund was ahead of the Fixed Income Index by 12 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 5 basis points, primarily due to securities lending. Its performance for the I Fund lagged the International Index by 3 basis points, primarily due to securities sampling.

Annualized Net Returns as of February 28, 2026

	1-Year	3-Year	5-Year	10-Year
G Fund	4.39%	4.38%	3.59%	2.80%

	1-Year	3-Year	5-Year	10-Year
F Fund	6.28%	5.11%	0.50%	2.07%
Bloomberg US Agg Bond Index	6.26%	5.12%	0.42%	1.97%
Benchmark Difference	0.01%	-0.02%	0.08%	0.10%

	1-Year	3-Year	5-Year	10-Year
C Fund	16.96%	21.76%	14.16%	15.47%
S&P 500 Index	16.99%	21.80%	14.19%	15.50%
Benchmark Difference	-0.03%	-0.04%	-0.03%	-0.03%

	1-Year	3-Year	5-Year	10-Year
S Fund	16.58%	15.72%	5.30%	12.39%
Dow Jones US Completion TSM Index	16.46%	15.58%	5.12%	12.23%
Benchmark Difference	0.12%	0.13%	0.18%	0.16%

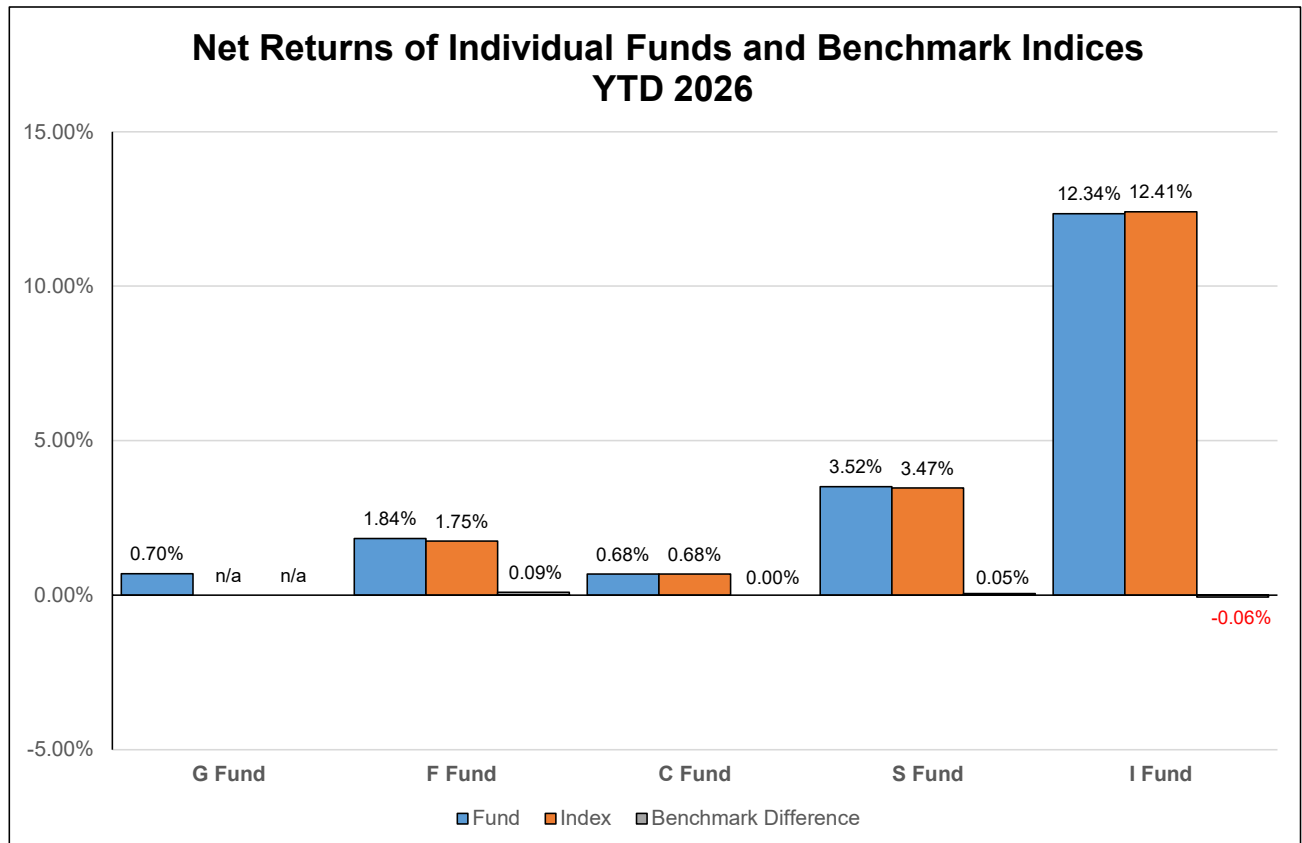
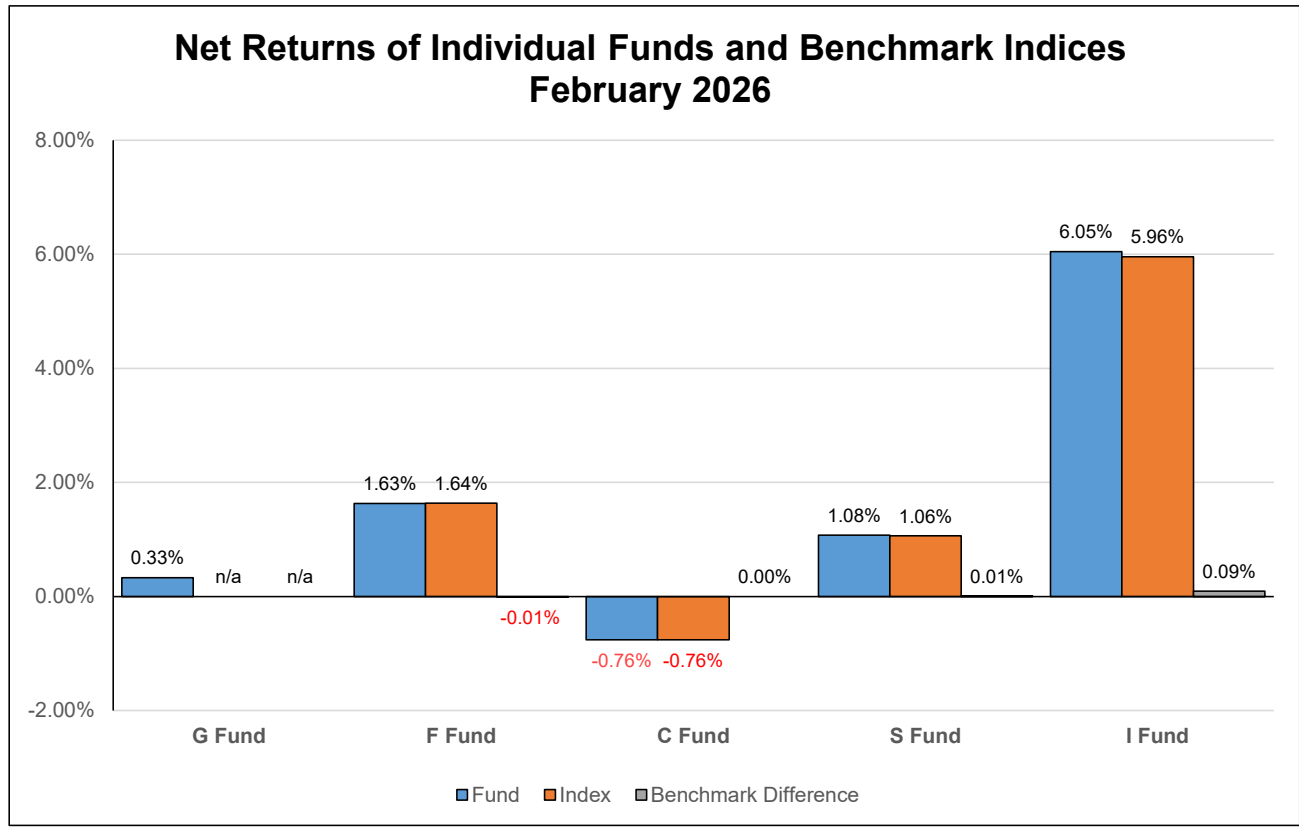
	1-Year	3-Year	5-Year	10-Year
I Fund	42.22%	20.35%	11.74%	10.93%
International Index*	42.52%	19.98%	11.46%	10.59%
Benchmark Difference	-0.30%	0.37%	0.27%	0.34%

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

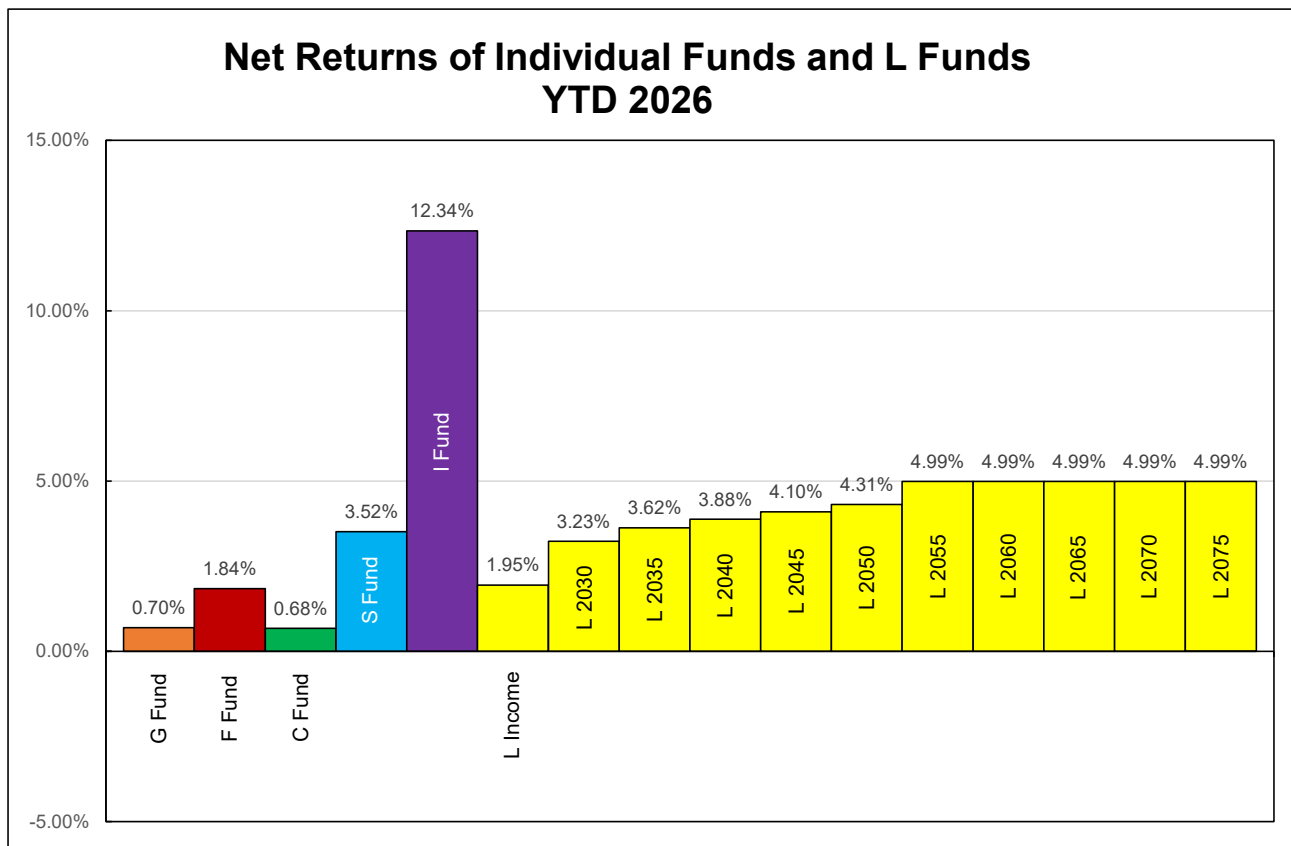
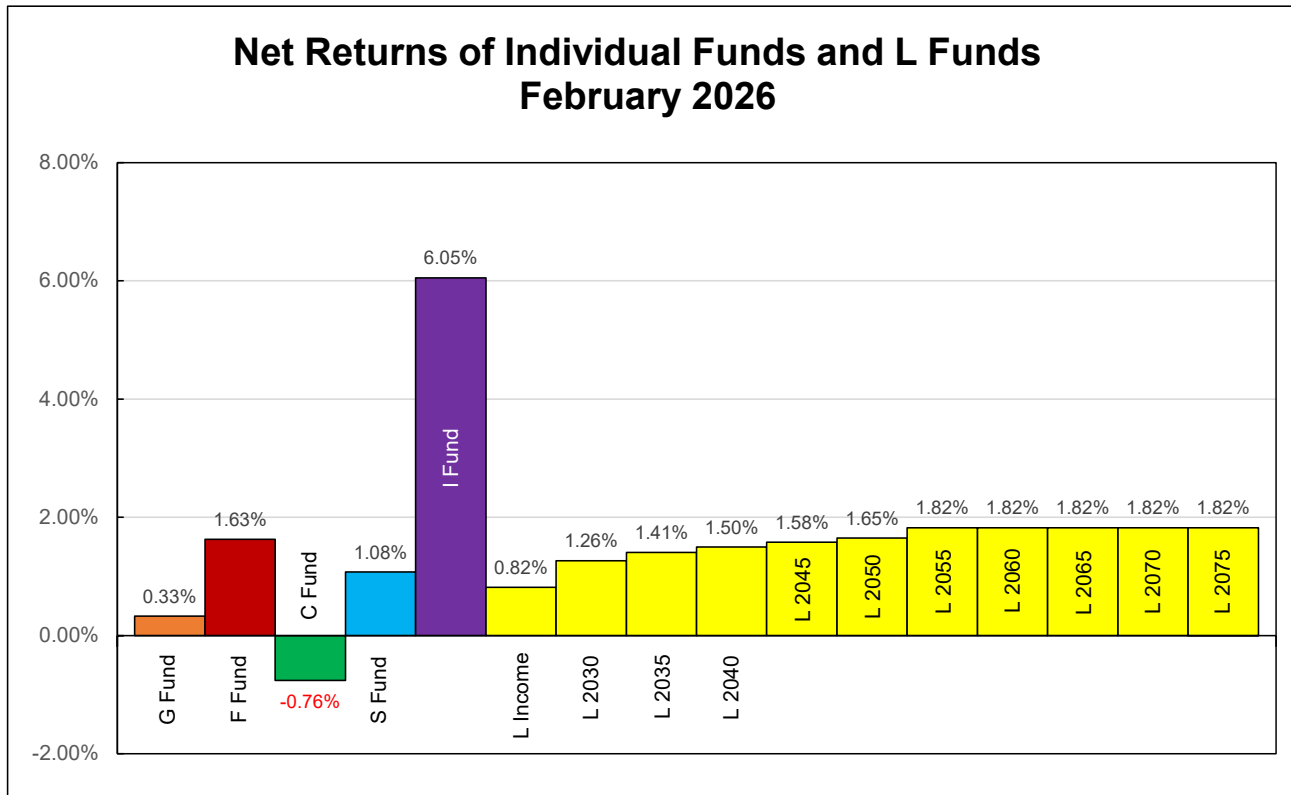
	Inception Date	1-Year	3-Year	5-Year	10-Year
L Income Fund	August 1, 2005	10.08%	8.66%	5.89%	5.40%
L 2030 Fund	August 1, 2005	16.81%	14.12%	8.81%	9.56%
L 2035 Fund	July 1, 2020	18.26%	15.14%	9.30%	N/A
L 2040 Fund	August 1, 2005	19.51%	16.08%	9.76%	10.77%
L 2045 Fund	July 1, 2020	20.58%	16.89%	10.12%	N/A
L 2050 Fund	January 31, 2011	21.64%	17.70%	10.51%	11.80%
L 2055 Fund	July 1, 2020	25.18%	20.44%	12.08%	N/A
L 2060 Fund	July 1, 2020	25.18%	20.44%	12.08%	N/A
L 2065 Fund	July 1, 2020	25.18%	20.44%	12.08%	N/A
L 2070 Fund	July 26, 2024	25.19%	N/A	N/A	N/A
L 2075 Fund	June 30, 2025	N/A	N/A	N/A	N/A

Performance of TSP Funds

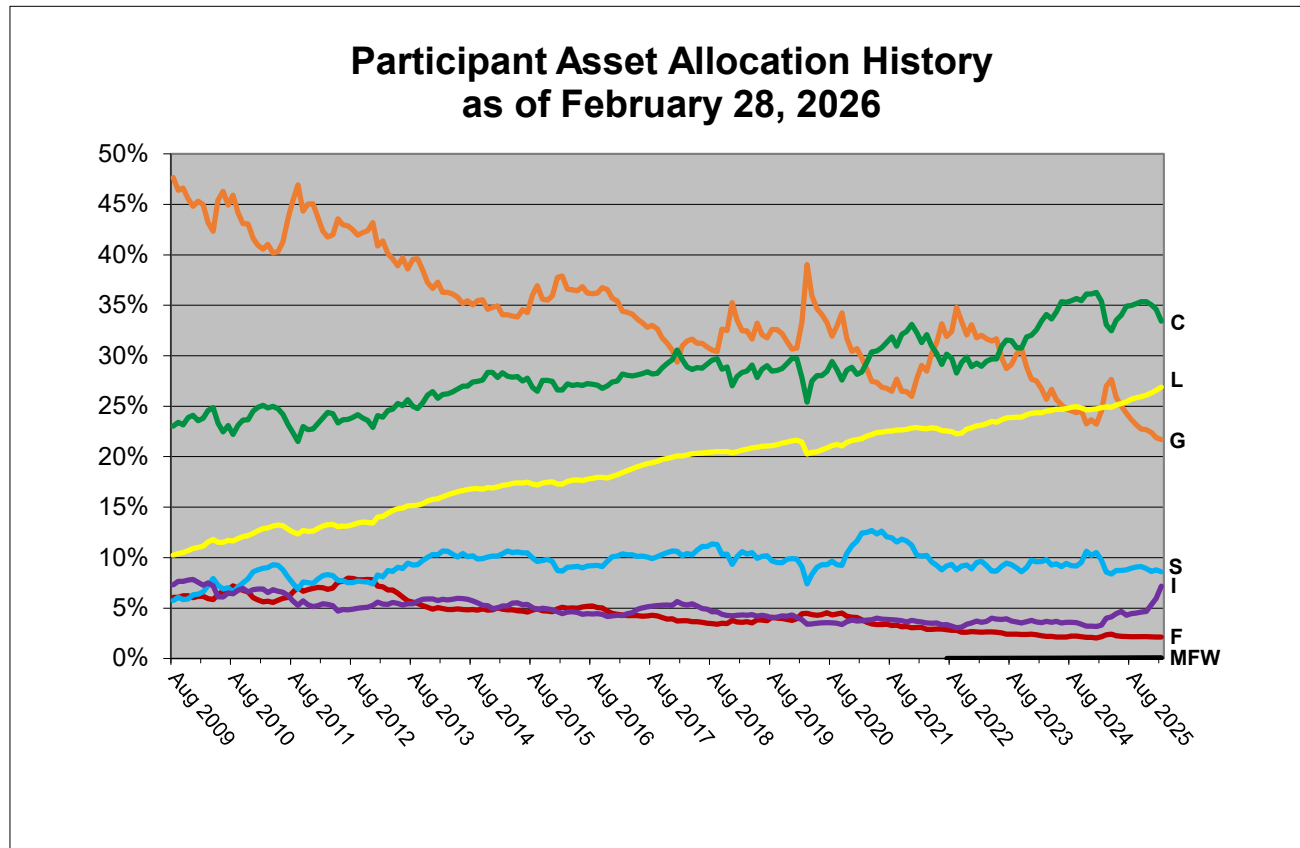
The charts below show the G, F, C, S, and I Fund net rates of return vs. their respective benchmark indices.



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

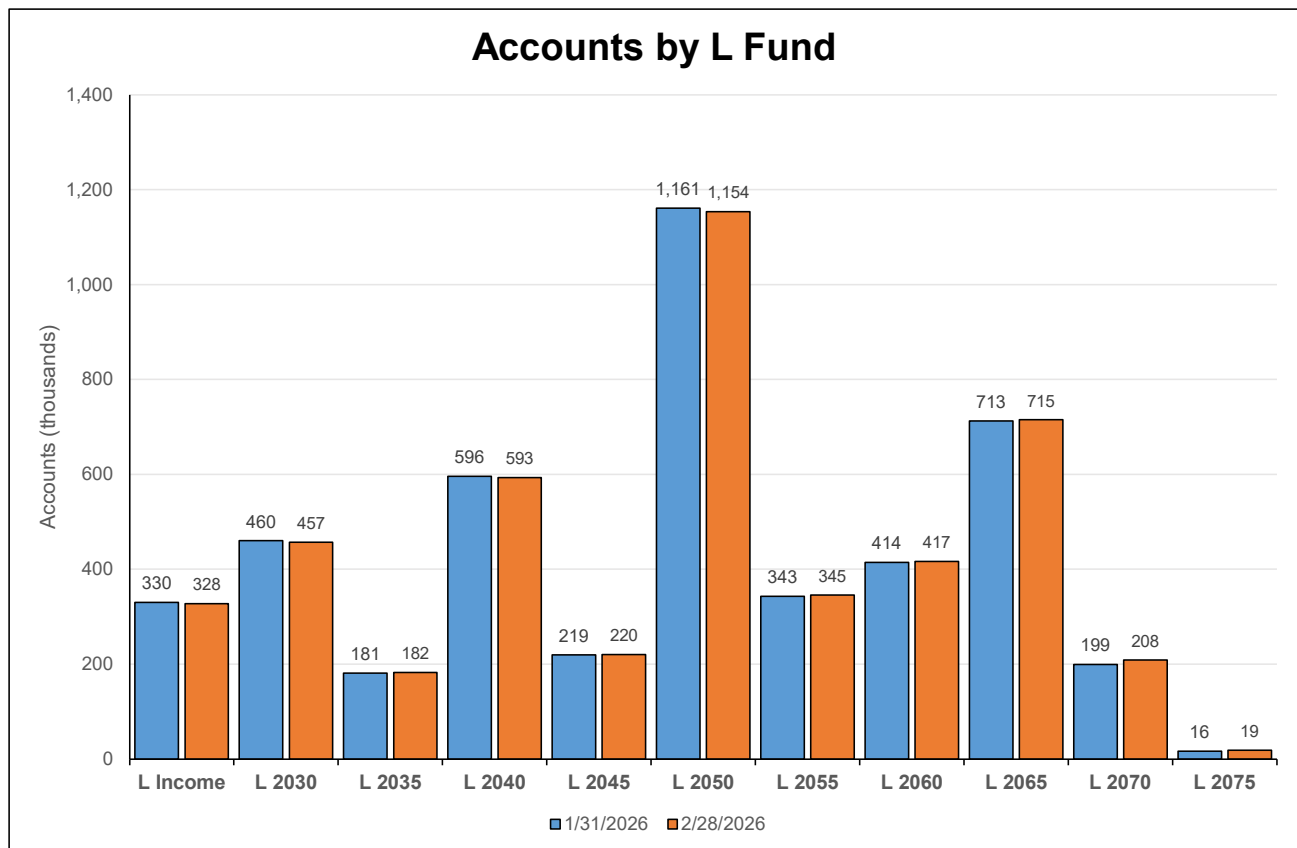
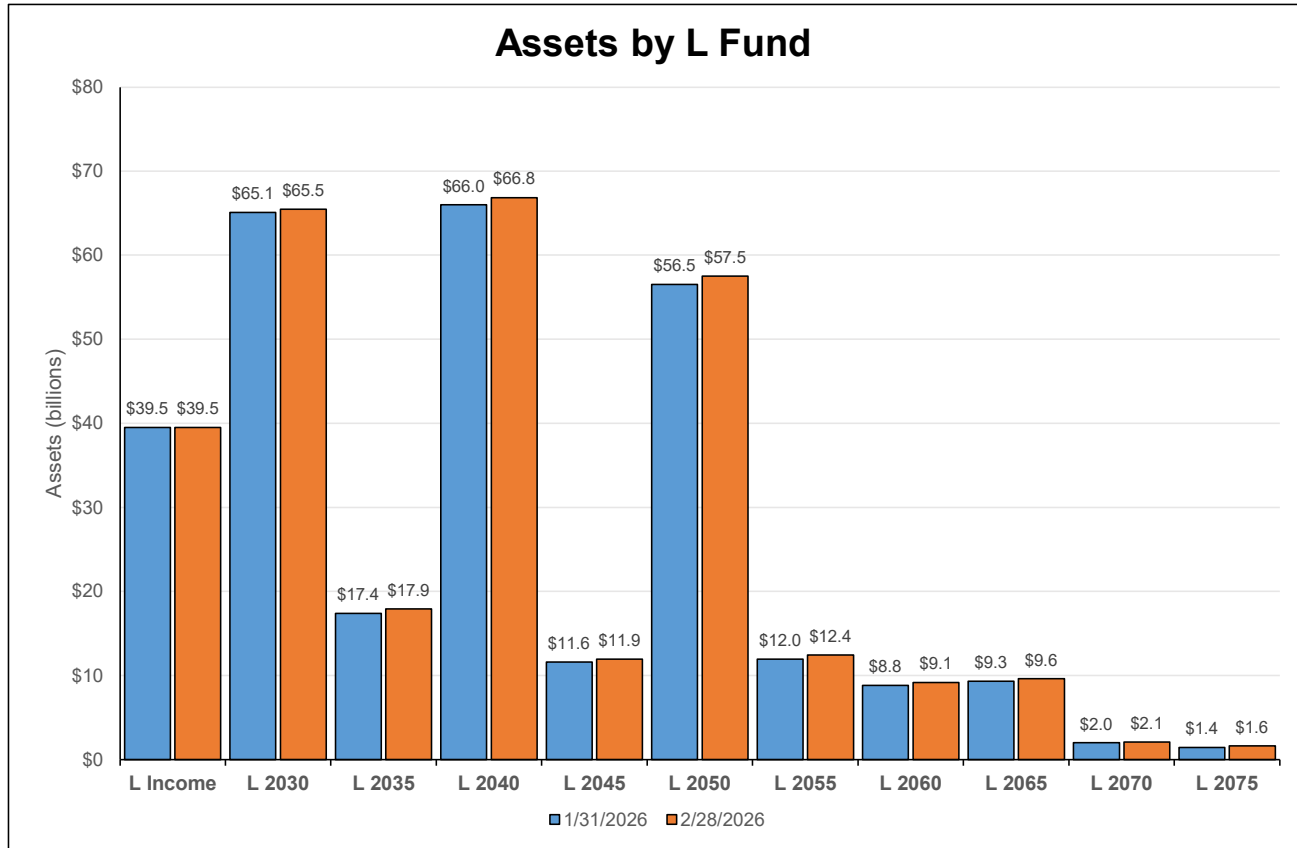


Asset Allocation as of February 28, 2026

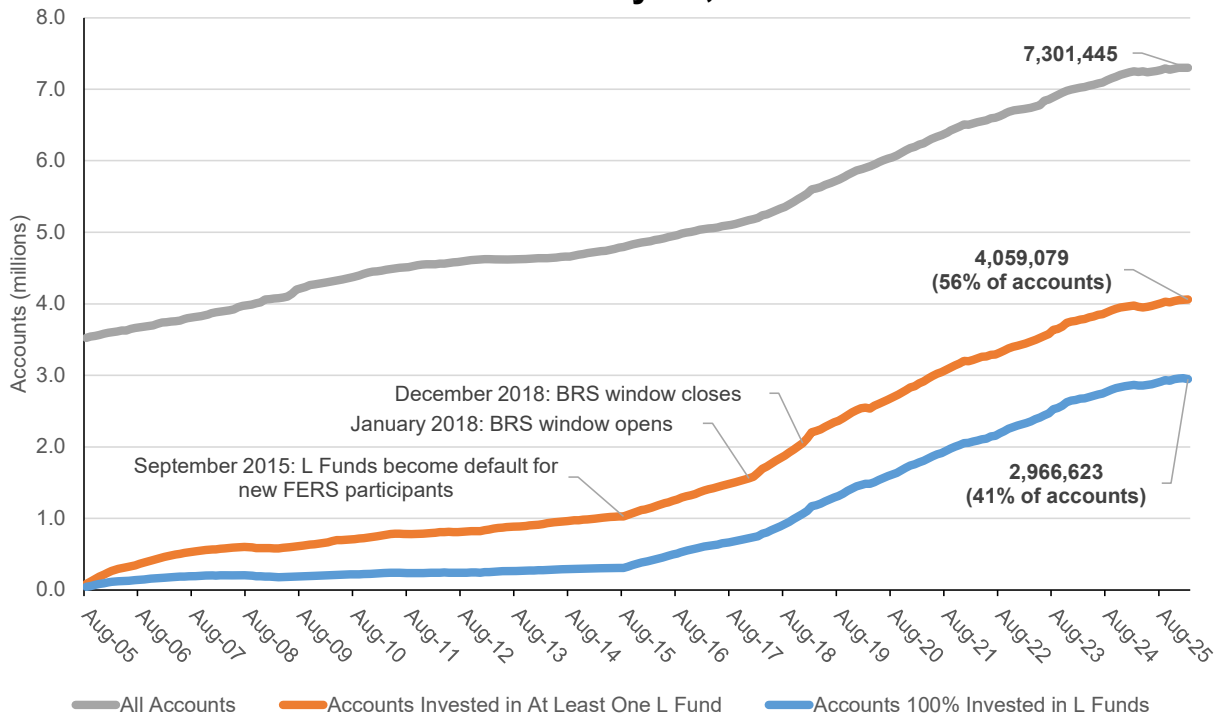
	<u>Participant Allocation</u>		<u>Individual TSP Funds</u>	
	<u>Assets (Billions)</u>	<u>Share of Total</u>	<u>Assets (Billions)</u>	<u>Share of Total</u>
G Fund	\$237.1	21.7%	\$316.1	28.9%
F Fund	\$23.5	2.1%	\$40.0	3.7%
C Fund	\$365.8	33.4%	\$469.0	42.9%
S Fund	\$94.1	8.6%	\$119.7	10.9%
I Fund	\$78.7	7.2%	\$148.4	13.6%
L Funds	\$294.1	26.9%	n/a	n/a
<u>MFW</u>	<u>\$0.8</u>	<u>0.1%</u>	<u>\$0.8</u>	<u>0.1%</u>
Total	\$1,094.0	100.0%	\$1,094.0	100.0%

*Components may not sum to totals due to rounding.

Lifecycle (L) Funds

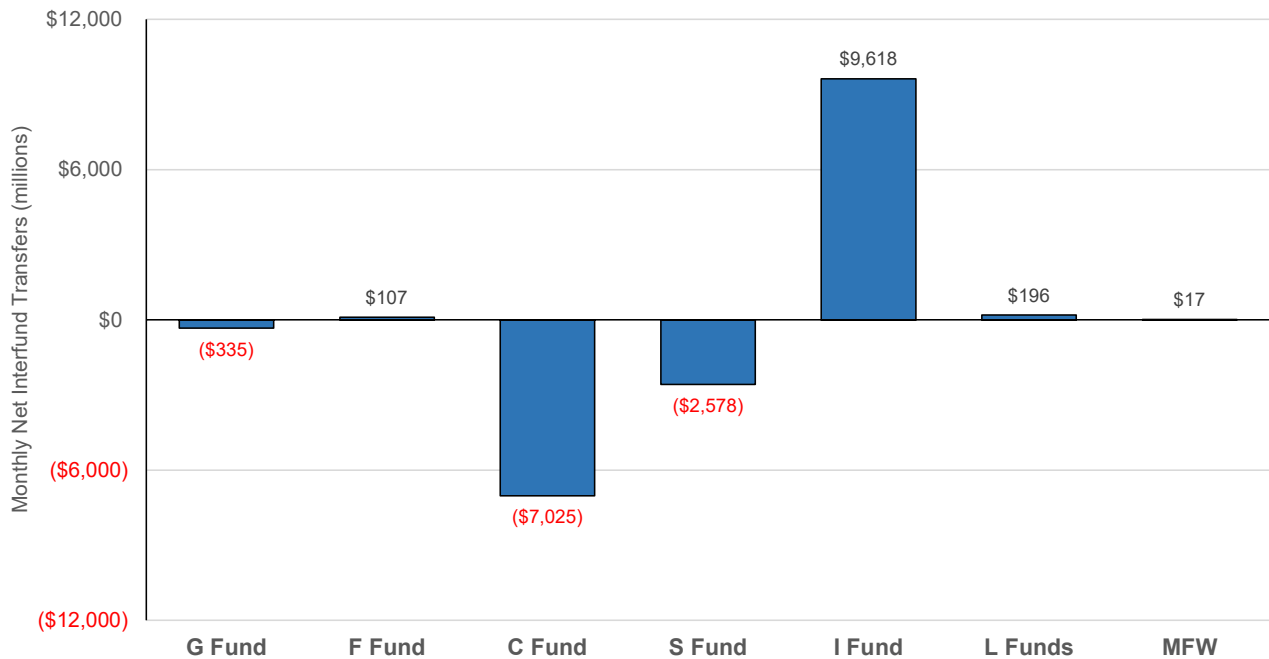


Participation History of the L Funds as of February 28, 2026



Interfund Transfer Activity

Monthly Net Interfund Transfers February 2026



*Values may not sum to zero due to rounding.