



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

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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

		<u>Fixed Income (F Fund)</u>	<u>Large Cap (C Fund)</u>	<u>Small Mid Cap (S Fund)</u>	<u>International (I Fund)</u>
Return	Index	0.62%	2.34%	1.16%	2.36%
	BlackRock	0.62%	2.34%	1.16%	2.09%
	State Street	0.63%	2.34%	1.16%	2.29%
	TSP Fund (Net)	0.62%	2.34%	1.16%	2.13%
Benchmark Difference	BlackRock	0.00%	0.00%	0.01%	-0.27%
	State Street	0.00%	0.00%	0.00%	-0.06%
	TSP Fund	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 (F Fund)</u>	<u>Large Cap (C Fund)</u>	<u>Small Mid Cap (S Fund)</u>	<u>International (I Fund)</u>
Return	Index	6.80%	17.52%	12.47%	27.45%
	BlackRock	6.82%	17.52%	12.49%	28.06%
	State Street	6.84%	17.52%	12.56%	28.00%
	TSP Fund (Net)	6.80%	17.49%	12.47%	28.01%
Benchmark Difference	BlackRock	0.03%	0.00%	0.02%	0.61%
	State Street	0.05%	0.00%	0.09%	0.55%
	TSP Fund	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

	1-Year	3-Year	5-Year	10-Year
G Fund	4.47%	4.35%	3.37%	2.73%

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

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

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

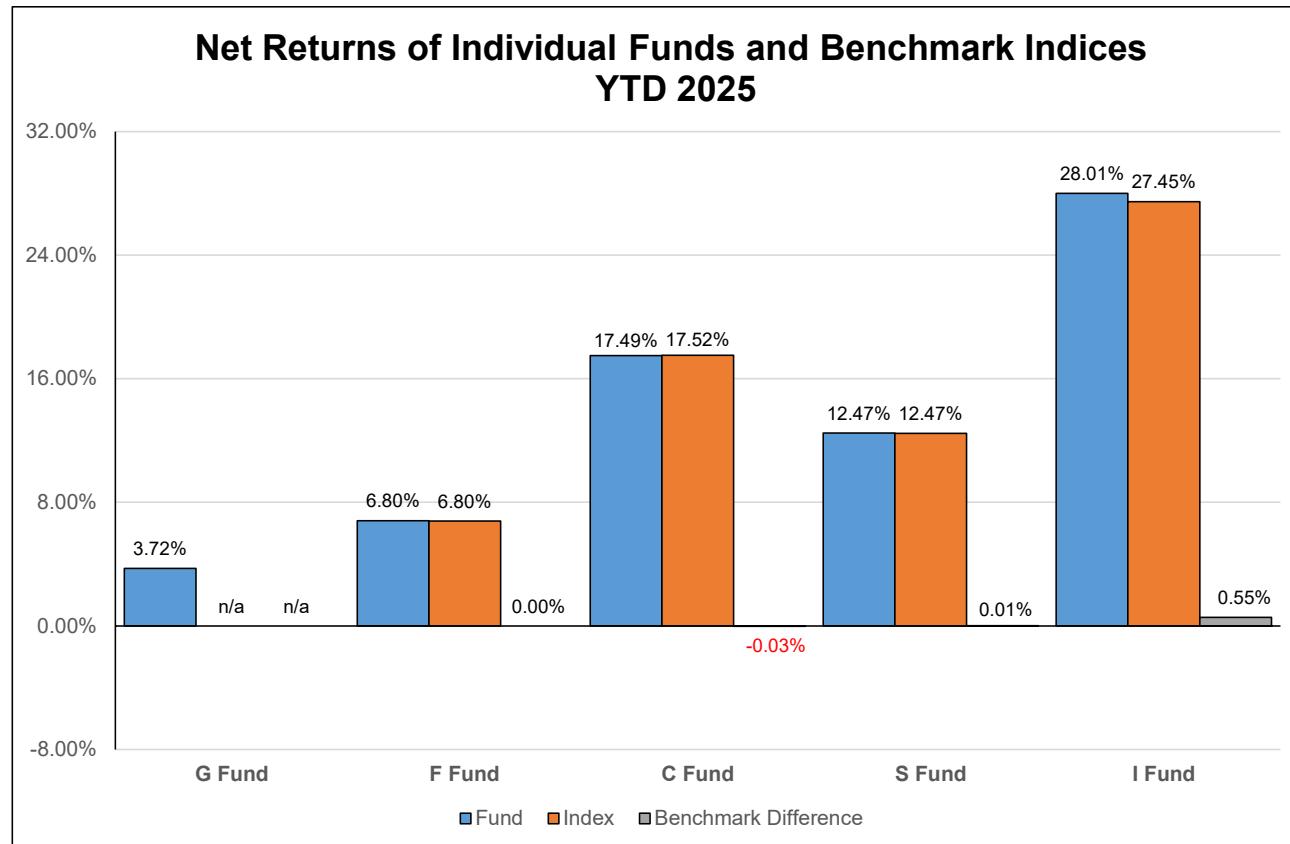
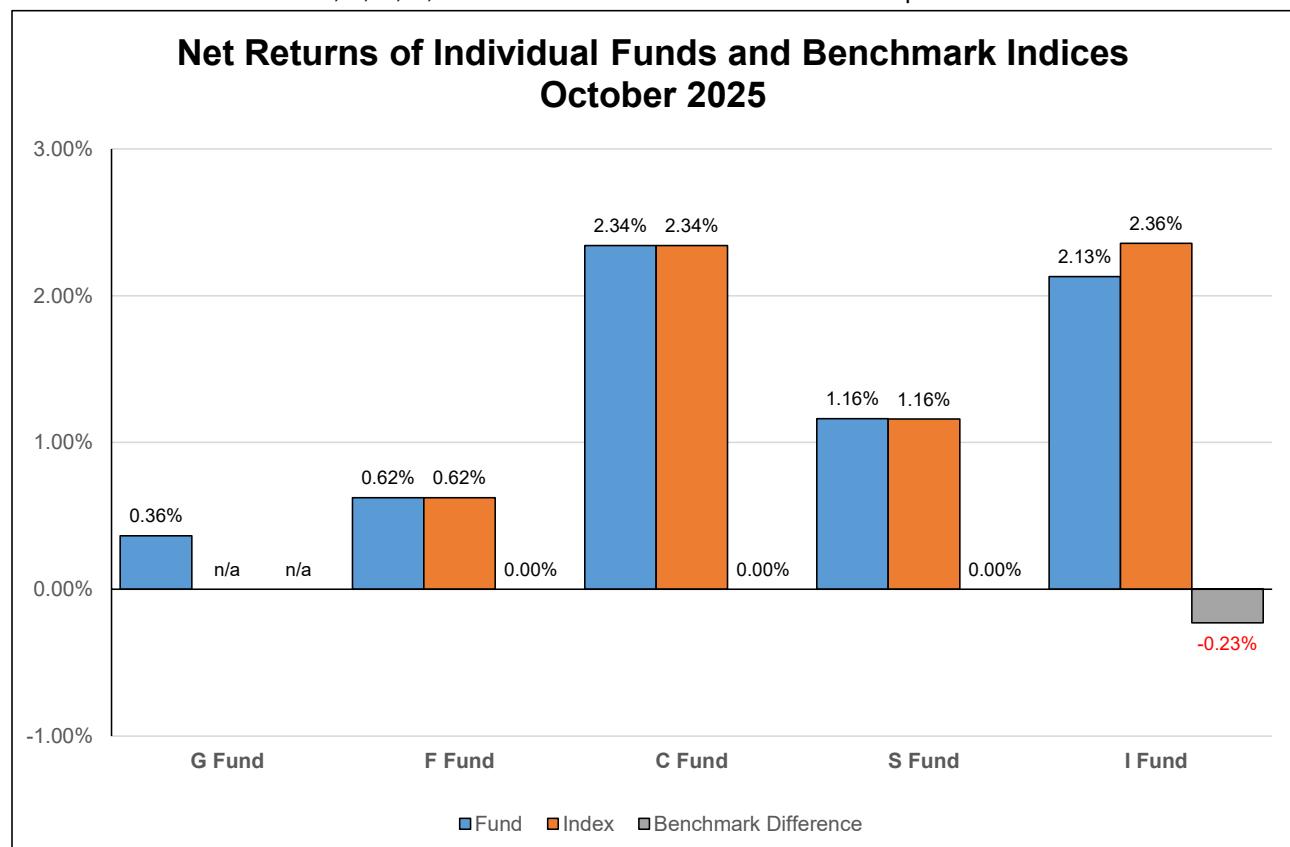
	1-Year	3-Year	5-Year	10-Year
I Fund	24.37%	20.82%	12.87%	8.01%
International Index*	23.79%	20.47%	12.56%	7.59%
Benchmark Difference	0.58%	0.34%	0.32%	0.42%

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

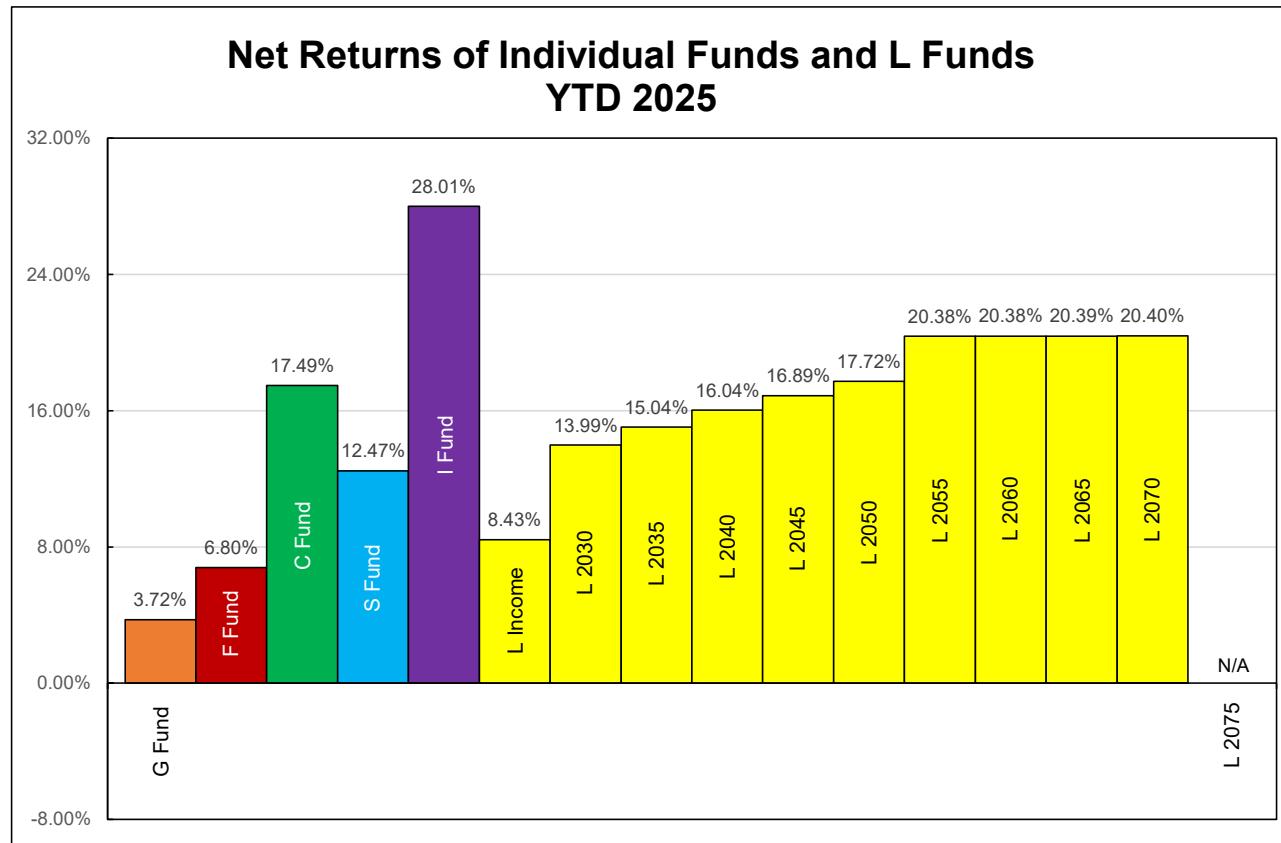
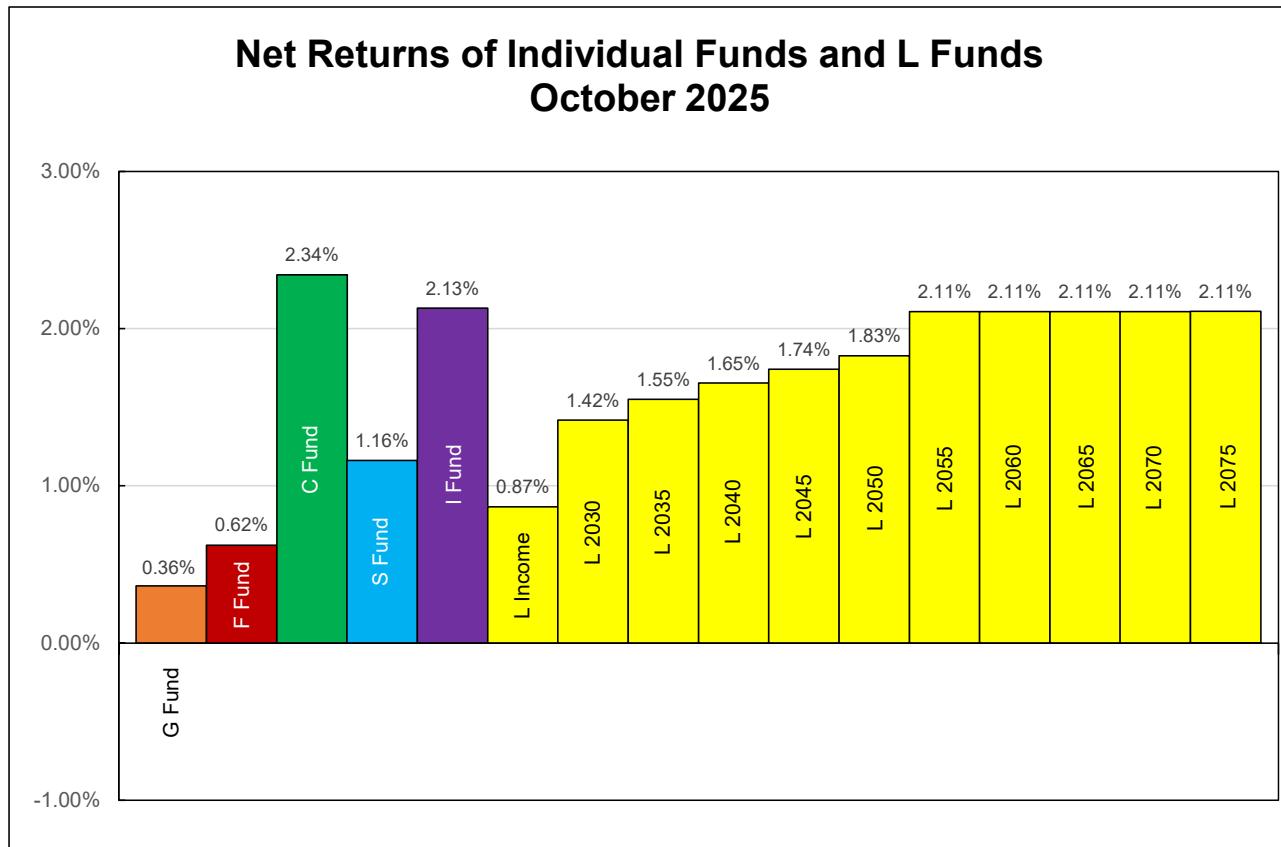
	Inception Date	1-Year	3-Year	5-Year	10-Year
L Income Fund	August 1, 2005	9.33%	8.80%	6.26%	5.00%
L 2030 Fund	August 1, 2005	15.16%	14.66%	10.51%	8.54%
L 2035 Fund	July 1, 2020	16.24%	15.68%	11.16%	N/A
L 2040 Fund	August 1, 2005	17.28%	16.67%	11.82%	9.55%
L 2045 Fund	July 1, 2020	18.16%	17.52%	12.37%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

Performance of TSP Funds

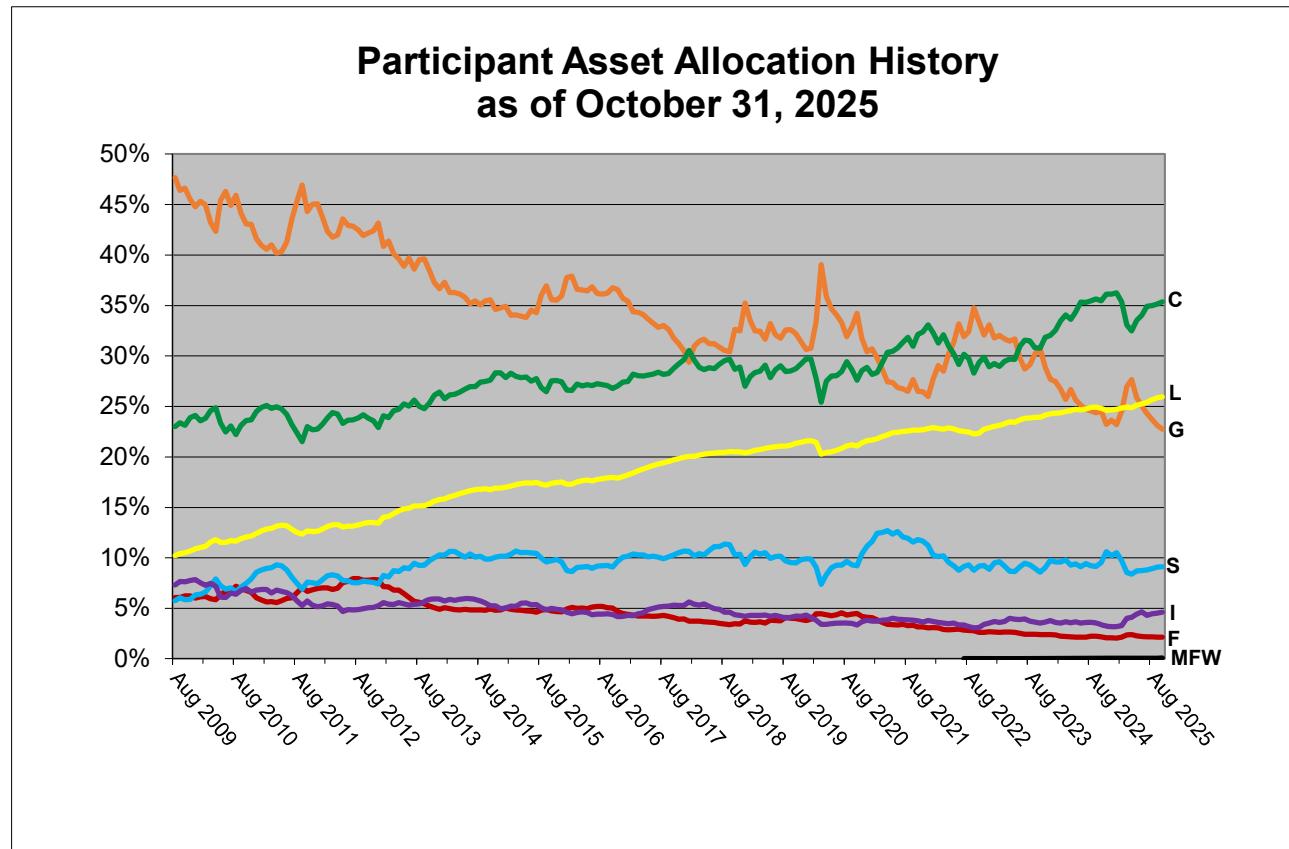
The charts below show the G, F, C, S, and I Fund net rates of return vs. their respective benchmark indices.



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



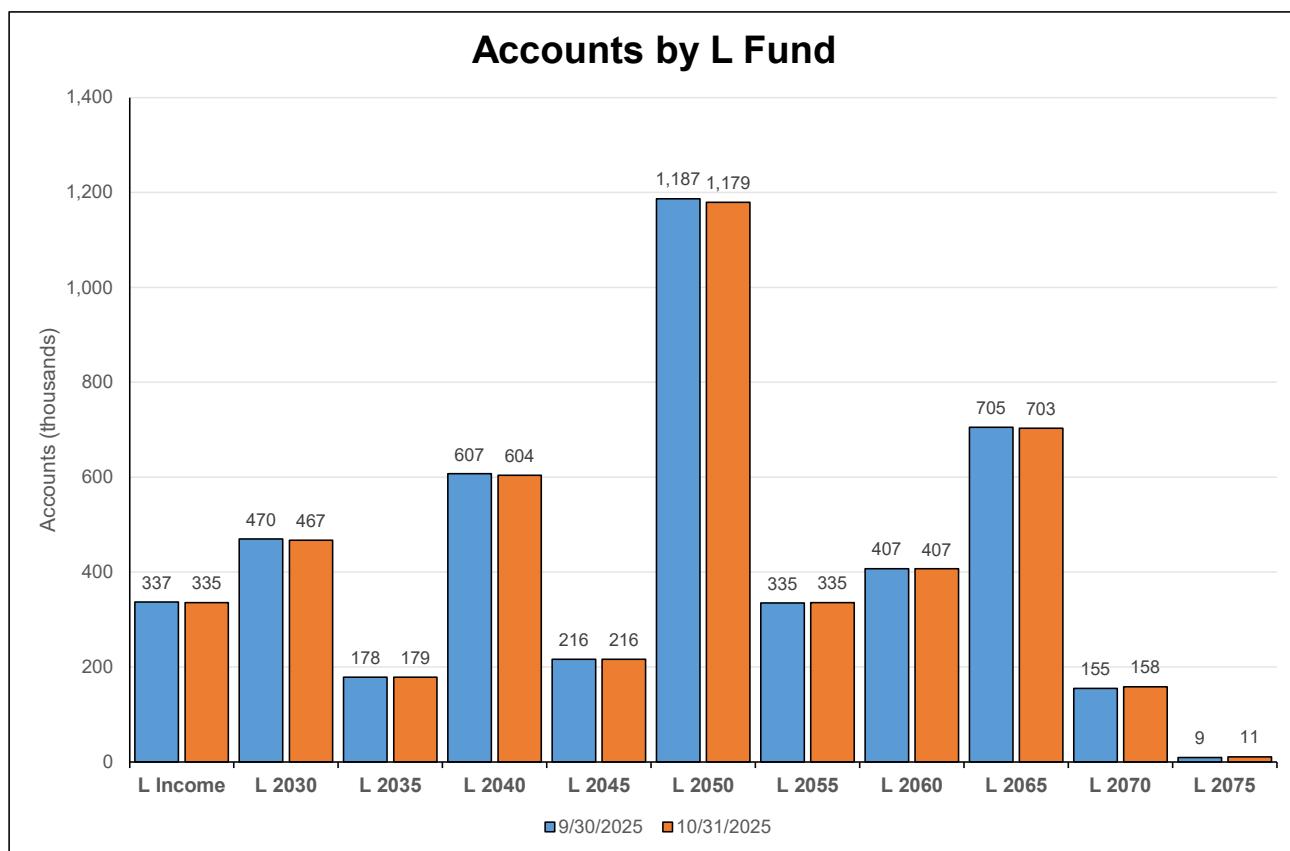
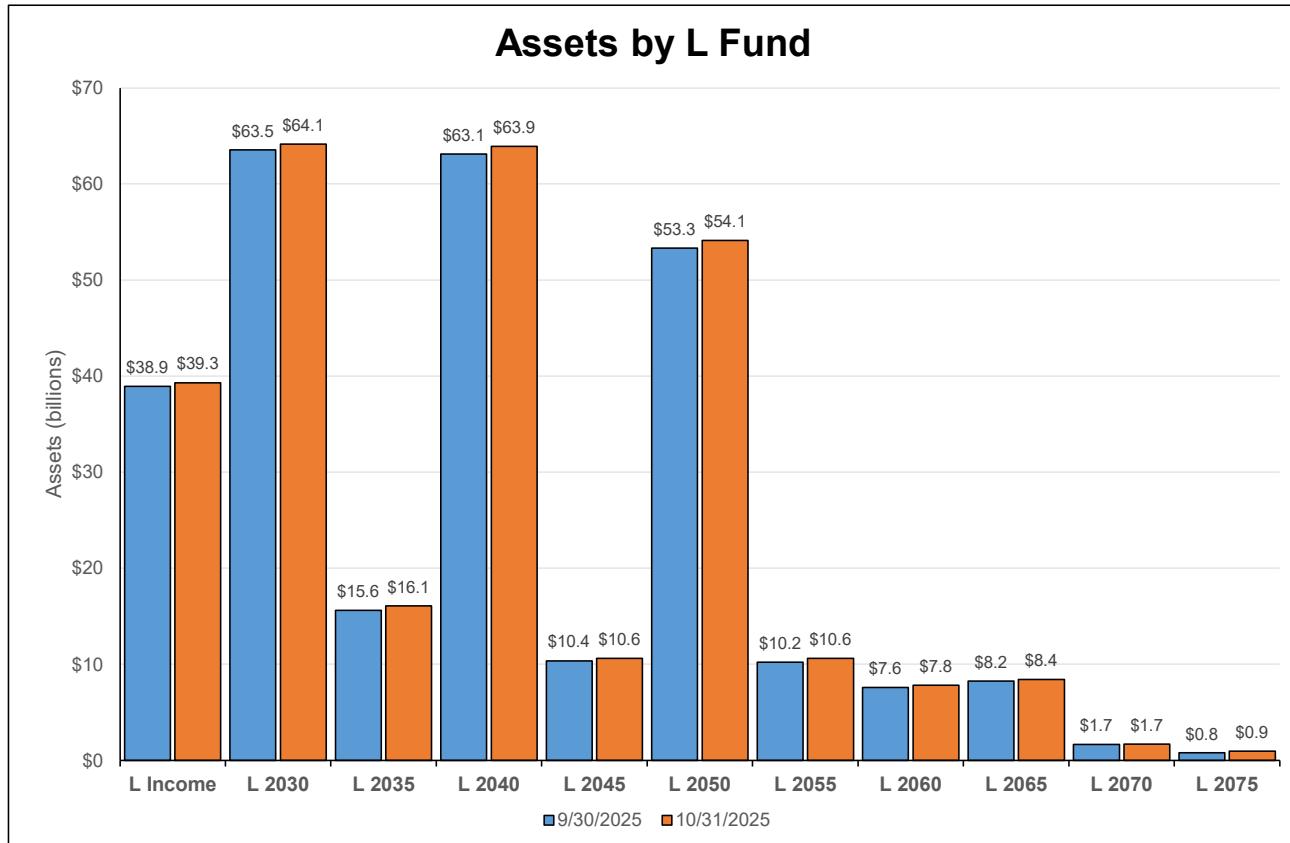
Asset Allocation



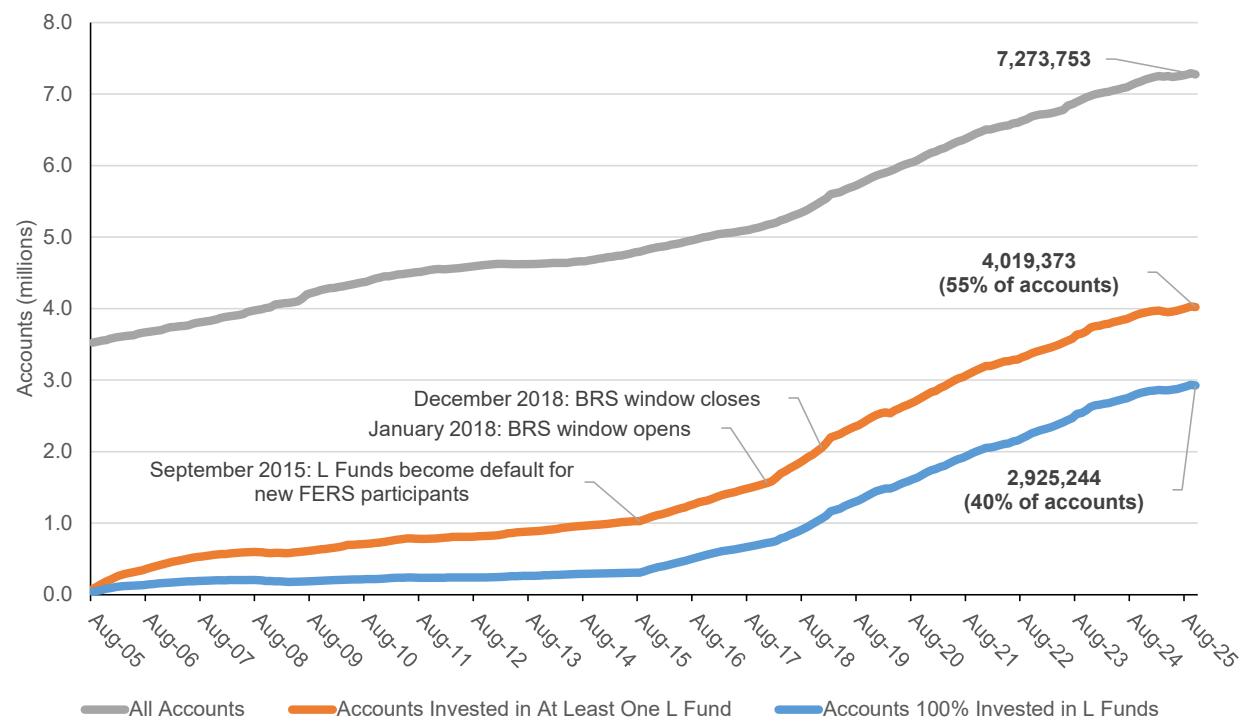
Asset Allocation as of October 31, 2025				
	Participant Allocation		Individual TSP Funds	
	Assets (Billions)	Share of Total	Assets (Billions)	Share of Total
G Fund	\$243.4	22.7%	\$318.8	29.8%
F Fund	\$23.1	2.2%	\$38.8	3.6%
C Fund	\$378.5	35.4%	\$475.5	44.4%
S Fund	\$97.5	9.1%	\$122.0	11.4%
I Fund	\$49.5	4.6%	\$114.5	10.7%
L Funds	\$277.7	25.9%	n/a	n/a
MFW	\$0.8	0.1%	\$0.8	0.1%
Total	\$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

Monthly Net Interfund Transfers October 2025

