



FUND INFORMATION



March 2020

We're glad you asked . . .

. . . about your TSP investment options. The information in this booklet will help you decide how to invest your account.

To get started, first determine your approach to investing. You can manage your own account or put your money in one of the Lifecycle (L) Funds that are invested according to a professionally determined mix of the G, F, C, S, and I Funds based on various time horizons. Remember that the amount you contribute and your investment allocation are the most important factors affecting the growth of your TSP account.

If you choose your own investment mix from the G, F, C, S, and I Funds, think about these points:

- ✓ **Consider both risk and return.** The F Fund (bonds) and the C, S, and I Funds (stocks) have higher potential returns than the G Fund (government securities). But stocks and bonds also carry the risk of investment losses that the G Fund does not have. On the other hand, investing entirely in the G Fund may not give you the returns you need to meet your retirement savings goal.
- ✓ **You need to be comfortable with the amount of risk you expect to take.** Your investment comfort zone should allow you to use a “buy and hold” strategy so that you are not chasing market returns during upswings or abandoning your investment strategy during downswings.
- ✓ **You can reduce your overall risk by diversifying your account.** The five individual TSP funds offer a broad range of investment options, including government securities, bonds, and domestic and foreign stocks. Generally, it's best not to put all of your eggs in one basket.
- ✓ **The amount of risk you can sustain largely depends upon your investment time horizon.** The more time you have before you need to withdraw from your account, the more risk you can take. (This is because early losses can be offset by later gains.) As your time horizon shortens, you may need to modify your investment mix.
- ✓ **Periodically review your investment choices.** Check the distribution of your account among the funds to make sure that the mix you chose is still appropriate for your situation. If not, make an “interfund transfer” (IFT) to rebalance your account to the allocation you want. For each calendar month, your *first two* IFTs can redistribute money in your account among any or all of the TSP funds. After that, for the remainder of the month, your IFTs can *only* move money into the G Fund. If you have both a civilian and a uniformed services account, this applies to each account separately.

For more information about TSP investment options, visit the website [tsp.gov](https://www.tsp.gov). You can get recent and historical rates of return, use the calculators to estimate the effect of various rates of return on your account balance, and read the *Thrift Savings Planner* articles about investing.

Remember, there is no guarantee that future rates of return will match historical rates.



L FUNDS

LIFECYCLE FUNDS

Information

as of December 31, 2019

Assets \$136.5 billion

Net Administrative and Other Expenses

Fund	2019 Net Expenses*	Other Expenses**
L 2050	.042%	.005%
L 2040	.042%	.005%
L 2030	.042%	.004%
L 2020	.042%	.002%
L Income	.042%	.001%

* An expense ratio of .042% translates to 4.2 basis points or \$0.42 per \$1,000 account balance.

** Fees paid to investment manager

Investment Objective

Fund	Growth	Preservation of Assets
L 2050	High	Very Low
L 2040	High	Low
L 2030	Moderate/High	Low
L 2020	Moderate	Moderate
L Income	Low	High

Time Horizons

(when you expect to need the money)

Choose: If your time horizon is:

L 2050	2045 or later
L 2040	2035 through 2044
L 2030	2025 through 2034
L 2020	2020 through 2024
L Income	Now withdrawing

Inception

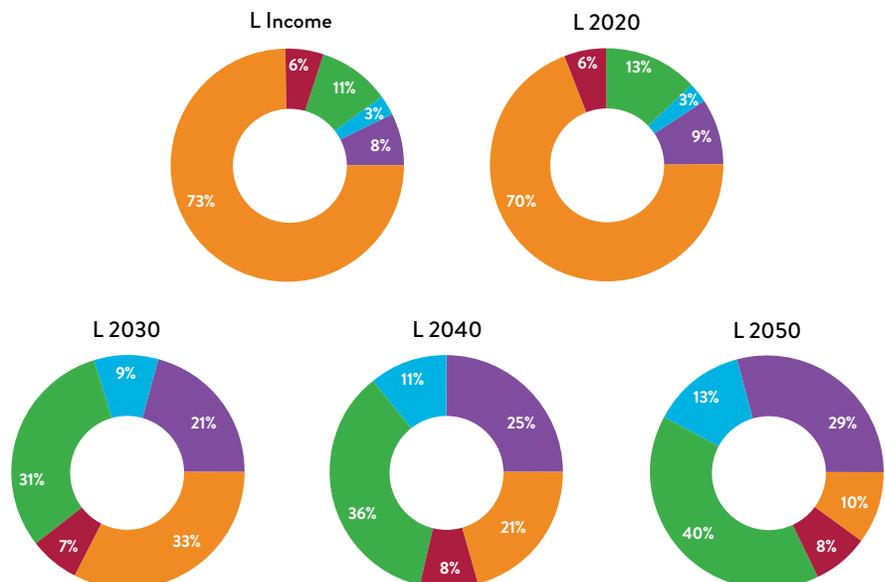
The first L Funds were introduced August 1, 2005.

Key Features

- The L Funds diversify participant accounts among the G, F, C, S, and I Funds using professionally determined investment mixes (allocations) that are tailored to different time horizons. The L Funds are rebalanced to their target allocations each business day. The investment mix of each fund adjusts quarterly to more conservative investments as the fund's time horizon shortens.
- The objective of the L Funds is to provide the highest expected rate of return for the amount of risk expected.
- Investing in the L Funds is not a guarantee against loss and does not eliminate risk. The L Funds are subject to the risks inherent in the underlying funds and can have periods of gain and loss.
- The L Funds' returns will be approximately equal to the weighted average of the G, F, C, S, and I Funds' returns. Earnings are calculated daily, and there is a daily share price for each L Fund.

Allocation Targets*

As of January 2020



G Fund F Fund C Fund S Fund I Fund

* Due to rounding, numbers may not add up to exactly 100%.

L Fund Facts

The L Funds are intended to meet the investment needs of TSP participants with time horizons that fall into five different date ranges, as shown on page 1. The five L Funds were designed for the TSP by an investment consultant. The asset allocations are based on the investment consultant's assumptions regarding future investment returns, inflation, economic growth, and interest rates. The TSP reviews these assumptions periodically to determine whether changes to the allocations are warranted.

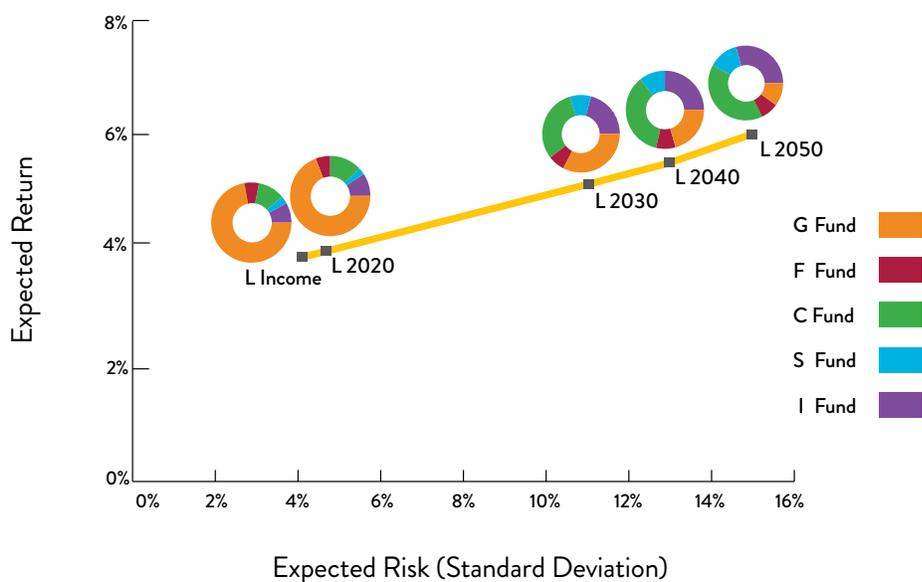
L 2050, L 2040, L 2030, and L 2020 are for participants with time horizons that fall within the defined date ranges. The asset allocations of these funds are adjusted quarterly, moving to a more conservative mix, gradually approaching that of the L Income Fund. Between quarterly adjustments, the asset allocation of each fund is maintained through daily rebalancing to that fund's target allocation. When a fund reaches its horizon, it will roll into the L Income Fund, and a new fund will be added with a more distant time horizon. In 2020, the L 2020 Fund will roll into the L Income Fund and several new L Funds will be introduced. Details on those new funds will be provided at the time of their launch.

The L Income Fund is designed to produce current income for participants who are already receiving money from their accounts and for participants who plan to withdraw or to begin withdrawing from their accounts in the near future. From 2020 to 2028, the asset allocation of the L Income Fund will gradually increase the proportion invested in the C, S, and I Funds. Thereafter, its asset allocation will not change.

The charts on page 1 show the January 2020 target allocations of the L Income, L 2020, L 2030, L 2040, and L 2050 Funds in each of the five underlying TSP funds. The allocation to the G Fund, which has the least amount of risk, is largest in the L Income Fund, and becomes successively smaller with the more distant target dates. In contrast, the allocations to the C, S, and I Funds, which carry varying degrees of risk, but also the potential for higher returns, are largest in L 2050 and smallest in the L Income Fund.

The graph above depicts the expected return and risk associated with each of the five L Funds based on the target allocations. The expected returns are

L Funds and the Efficient Frontier



derived from the investment consultant's economic assumptions and are not guaranteed. Expected variability of the investment returns is a measure of risk in investing. For each risk level, there is an "optimal" asset allocation that has the highest expected return. The collection of optimal asset allocations make up the "Efficient Frontier," which is shown by the curve. Asset allocations that are below the Efficient Frontier are less than optimal, because there is an asset allocation along the frontier that has a higher expected return for the same level of risk, or lower risk for the same expected return. The five TSP L Funds have asset allocations that correspond to points shown on the Efficient Frontier. **Putting your entire TSP account into one of the L Funds will help you to achieve the best expected return for the amount of expected risk that is appropriate for your time horizon.**

Over time, each of the L Funds (except for the L Income Fund) will gradually "roll down" the Efficient Frontier and merge with the L Income Fund. This means that the quarterly adjustments to their asset allocations will move them down and to the left along the line shown on the graph, reflecting lower expected risk and return.

The administrative and other expenses associated with the L Funds are those of the underlying G, F, C, S, and I Funds, calculated

in proportion to their allocations in each L Fund. The L Funds do not have any additional charges. There are no restrictions on investing in the L Funds. You may invest any part of your TSP account in any L Fund, and even invest in more than one L Fund. The TSP investment options are designed for you to choose either the L Fund that is appropriate for your time horizon or a combination of the individual TSP funds that will support your personal investment strategy.

Remember, however, that expected risk and return are based on assumptions about future economic conditions and investment performance. There is no guaranteed rate of return for any period, either short-term or long-term. For the L Funds' historical returns, visit "Fund Performance" at [tsp.gov](https://www.tsp.gov). Past performance does not guarantee future results.

Note: Participants' interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the *first two* IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)



G FUND

GOVERNMENT SECURITIES INVESTMENT FUND

Information

as of December 31, 2019

Assets \$243.8 billion*

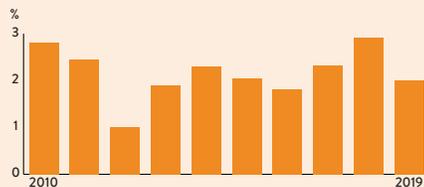
Net Administrative Expenses**

\$0.43 per \$1,000 account balance,
0.043% (4.3 basis points)

* Assets under management include allocated assets from the L Funds.

** An expense ratio of .043% translates to 4.3 basis points or \$0.43 per \$1,000 account balance.

Rates of Return



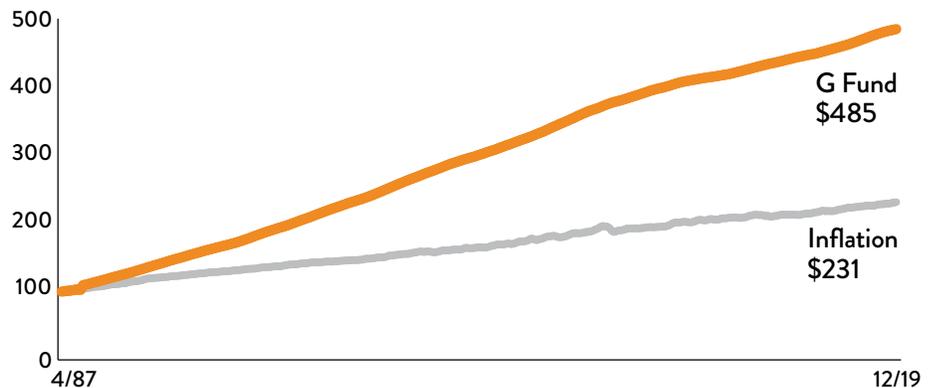
After Expenses

1-Year	2.24%
3-Year	2.49%
5-Year	2.27%
10-Year	2.23%
Since Inception April 1, 1987	4.94%

Key Features

- The G Fund offers the opportunity to earn rates of interest similar to those of U.S. government notes and bonds but without any risk of loss of principal and very little volatility of earnings.
- The objective of the G Fund is to maintain a higher return than inflation without exposing the fund to risk of default or changes in market prices.
- The G Fund is invested in short-term U.S. Treasury securities specially issued to the TSP. Payment of principal and interest is guaranteed by the U.S. government. Thus, there is no “credit risk.”
- The interest rate resets monthly and is based on the weighted average yield of all outstanding Treasury notes and bonds with 4 or more years to maturity.
- Earnings consist entirely of interest income on the securities.
- Interest on G Fund securities has, over time, outpaced inflation and 90-day T-bills.

Growth of \$100 Since Inception



G Fund Facts

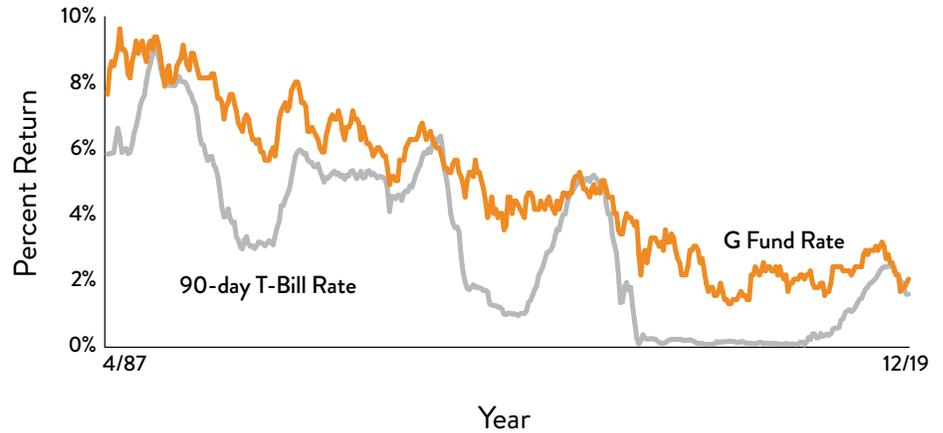
By law, the G Fund must be invested in nonmarketable U.S. Treasury securities specially issued to the TSP. The G Fund investments are kept by electronic entries, which do not involve any transaction costs to the TSP. The G Fund rate is set once a month by the U.S. Treasury based on a statutorily prescribed formula (described below), and all G Fund investments earn that interest rate for the month. (This same rate is also used in other government programs, such as the Social Security and Medicare trust funds and the Civil Service Retirement and Disability Fund.)

Although the securities in the G Fund earn a long-term interest rate, the Board's investment in the G Fund is redeemable on any business day with no risk to principal. The value of G Fund securities does not fluctuate; only the interest rate changes. Thus, when the monthly G Fund interest rate goes up, G Fund earnings accrue faster; when the G Fund interest rate declines, G Fund earnings accrue more slowly.

Calculation of G Fund Rate—G Fund securities earn a statutory interest rate equal to the average market yield on outstanding marketable U.S. Treasury securities with 4 or more years to maturity. The G Fund rate is calculated by the U.S. Treasury as the weighted average yield of approximately 136 U.S. Treasury securities on the last day of the previous month. The yield of the security has a weight in the G Fund rate calculation based on the amount outstanding. (The larger the dollar amount of a security outstanding, the larger its weight in the calculation.) The Treasury securities used in the G Fund rate calculation have a weighted average maturity of approximately 12 years.

G Fund Yield Advantage

April 1987 – December 2019



The G Fund Yield Advantage—The G Fund rate calculation results in a long-term rate being earned on short-term securities. Because long-term interest rates are generally higher than short-term rates, G Fund securities usually earn a higher rate of return than do short-term marketable Treasury securities. In the chart above, the G Fund rate is compared with the rate of return on 90-day marketable Treasury securities (T-Bills). From April 1987 through December 2019, the G Fund rate was, on average, 1.72 percentage points higher per year than the 90-day T-Bill rate.



F FUND

FIXED INCOME INDEX INVESTMENT FUND

Information

as of December 31, 2019

Assets \$33.5 billion*

Net Administrative Expenses**
\$0.42 per \$1,000 account balance,
0.042% (4.2 basis points)

Other Expenses***
0.004%

* Assets under management include allocated assets from the L Funds.

** An expense ratio of .042% translates to 4.2 basis points or \$0.42 per \$1,000 account balance.

*** Fees paid to investment manager

Average Duration 5.69 years

Yield to Maturity 2.32%

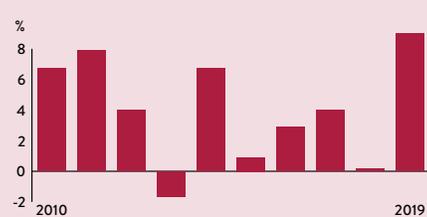
Benchmark Index

Bloomberg Barclays U.S. Aggregate Bond Index
www.bloombergindices.com

Asset Manager

BlackRock Institutional Trust Company, N.A.

Rates of Return



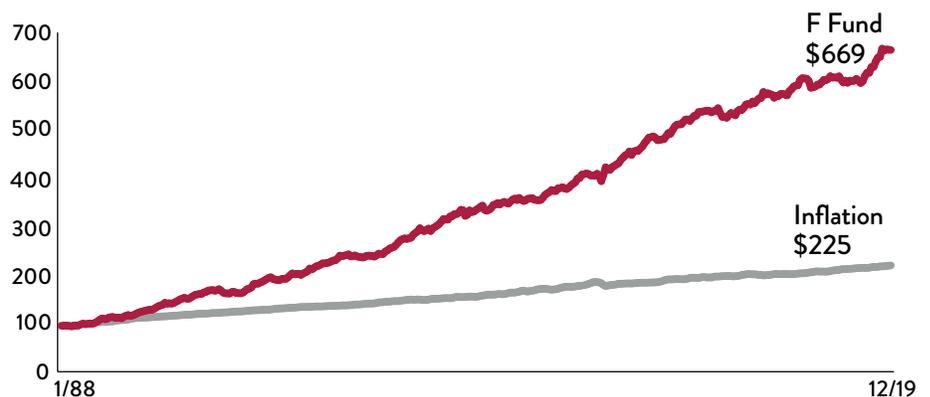
	F Fund*	Bloomberg Barclays U.S. Aggregate Index
1-Year	8.68%	8.72%
3-Year	4.16%	4.03%
5-Year	3.25%	3.05%
10-Year	3.99%	3.75%
Since Inception	6.14%	6.13%
January 29, 1988		

* After expenses

Key Features

- The F Fund offers the opportunity to earn rates of return that exceed those of money market funds over the long term, with relatively low risk.
- The objective of the F Fund is to match the performance of the Bloomberg Barclays U.S. Aggregate Bond Index, a broad index representing the U.S. bond market.
- The risk of nonpayment of interest or principal (credit risk) is relatively low because the F Fund includes only investment-grade securities and is broadly diversified. However, the F Fund has market risk (the risk that the value of the underlying securities will decline) and prepayment risk (the risk that a security in the F Fund will be repaid before it matures).
- Earnings consist of interest income on the securities and gains (or losses) in the value of the securities.

Growth of \$100 Since Inception



F Fund Facts

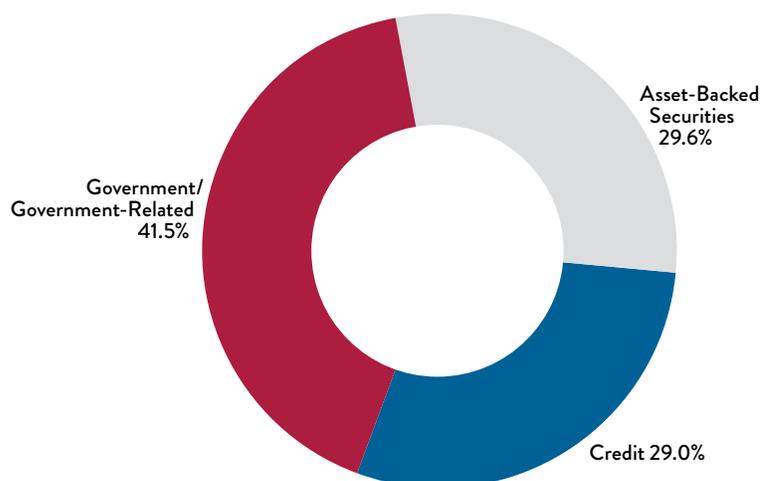
By law, the F Fund must be invested in fixed-income securities. The Federal Retirement Thrift Investment Board has chosen to invest the F Fund in an index portfolio that tracks the Bloomberg Barclays U.S. Aggregate Bond Index, a broadly diversified index of the U.S. bond market.

The **U.S. Aggregate Index** consists of high-quality fixed-income securities with maturities of more than one year. The index is comprised of Treasury and Agency bonds, asset-backed securities, and corporate and non-corporate bonds. On December 31, 2019, the index included 11,037 notes and bonds. Its yield to maturity* was 2.32%. The average duration (a measure of interest rate risk) of the U.S. Aggregate Index was 5.69 years, which means that a 1% increase (decrease) in interest rates could be expected to result in a 5.69% decrease (increase) in the price of a security. New issues are added continuously to the U.S. Aggregate Index, and older issues drop out as they move to within one year of maturity.

F Fund Investments—The F Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. Because the U.S. Aggregate Index contains such a large number of securities, it is not feasible for the F Fund to invest in each security in the index. Instead, BlackRock selects a large representative sample of the various types of asset-backed, U.S. government, corporate, and foreign government securities included in the overall index. Within each sector, BlackRock selects securities that, as a whole, are designed to match important index characteristics such as duration, yield, and credit rating. The performance of the F Fund is evaluated on the basis of how closely its returns match those of the U.S. Aggregate Index.

Bloomberg Barclays U.S. Aggregate Bond Index Bond Market Sectors*

December 31, 2019



* Due to rounding, numbers may not add up to exactly 100%.

Note: Participants' interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the *first two* IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)

* The yield to maturity is the rate of return anticipated on a bond if held until the end of its lifetime (maturity date). It is expressed as an annual rate and takes into account a bond's current market price, its face (or par) value, coupon rate, and the time until it matures. It also assumes that all future coupon payments over the life of the bond are reinvested at the bond's current yield.



C FUND

COMMON STOCK INDEX INVESTMENT FUND

Information

as of December 31, 2019

Assets \$226.9 billion*

Net Administrative Expenses**

\$0.42 per \$1,000 account balance,
0.042% (4.2 basis points)

Other Expenses***

0.001%

* Assets under management include allocated assets from the L Funds.

** An expense ratio of .042% translates to 4.2 basis points or \$0.42 per \$1,000 account balance.

*** Fees paid to investment manager

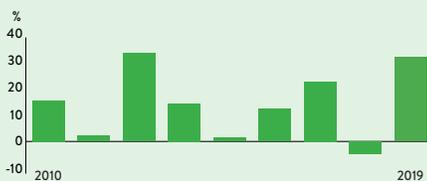
Benchmark Index

Standard & Poor's 500 Stock Index
www.standardandpoors.com

Asset Manager

BlackRock Institutional Trust
Company, N.A.

Rates of Return



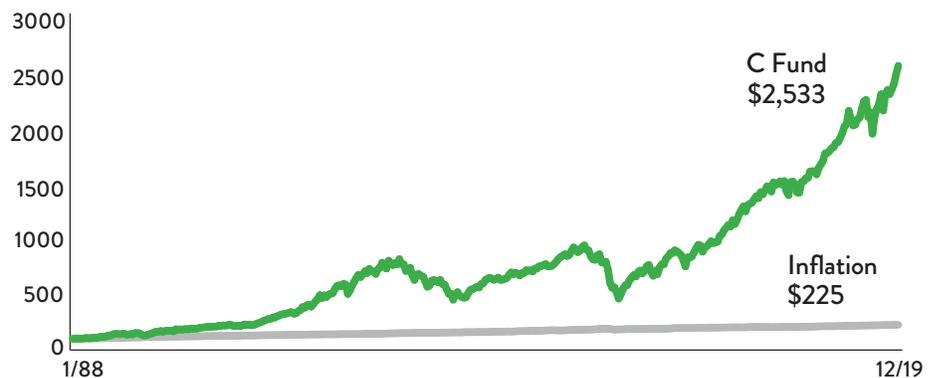
	C Fund*	S&P 500 Index
1-Year	31.45%	31.49%
3-Year	15.25%	15.27%
5-Year	11.71%	11.70%
10-Year	13.59%	13.56%
Since Inception January 29, 1988	10.66%	10.67%

* After expenses

Key Features

- The C Fund offers the opportunity to earn a potentially high investment return over the long term from a broadly diversified portfolio of stocks of large and medium-sized U.S. companies.
- The objective of the C Fund is to match the performance of the Standard & Poor's 500 Stock Index (S&P 500), a broad market index made up of stocks of 500 large to medium-sized U.S. companies.
- There is a risk of loss if the S&P 500 declines in response to changes in overall economic conditions (market risk).
- Earnings consist of gains (or losses) in the prices of stocks and dividend income.

Growth of \$100 Since Inception



S&P 500 Top Ten Holdings

as of December 31, 2019

Apple, Inc.
Microsoft Corporation
Amazon.com, Inc.
Facebook, Inc. Class A
Berkshire Hathaway, Inc. Class B

JPMorgan Chase & Company
Alphabet, Inc. Class A
Alphabet, Inc. Class C
Johnson & Johnson
Visa, Inc. Class A

C Fund Facts

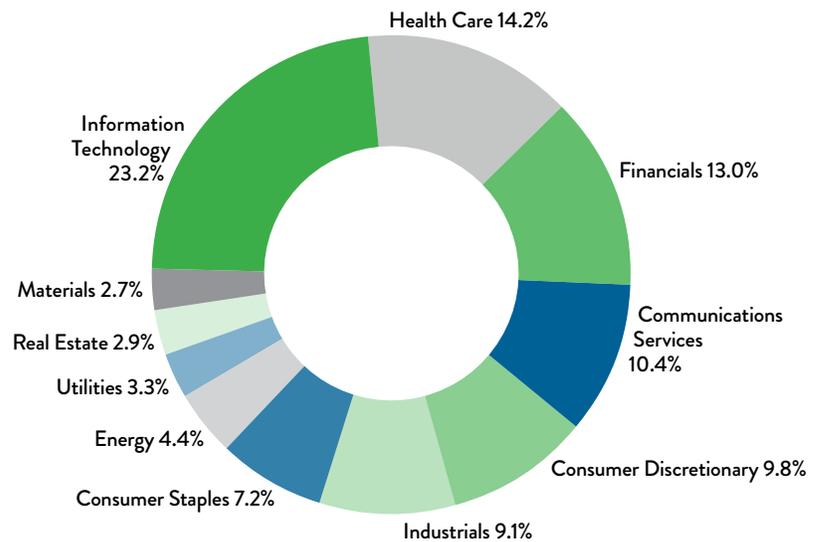
By law, the C Fund must be invested in a portfolio designed to replicate the performance of an index of stocks representing the U.S. stock markets. The Federal Retirement Thrift Investment Board has chosen as its benchmark the Standard & Poor's 500 Stock Index (S&P 500), which tracks the performance of major U.S. companies and industries.

The **S&P 500** is an index of 500 large to medium-sized U.S. companies that are traded in the U.S. stock market. The index was designed by Standard & Poor's Corporation (S&P) to provide a representative measure of the U.S. stock market's performance. The companies in the index represent 157 industries classified into the 11 major sector groups shown in the chart. The stocks in the S&P 500 represent approximately 84% of the market value of the U.S. stock market.

The S&P 500 is considered a "big company" index. As of December 31, 2019, the largest 100 companies in the S&P 500 represented approximately 67% of the index's market value. The S&P 500 includes 369 securities traded on the New York Stock Exchange and 136 securities that are traded on the NASDAQ. The market value of the largest company in the index is approximately \$1.2 trillion; the market value of the smallest company is approximately \$2 billion.

The S&P 500 is weighted by float-adjusted market capitalization, in which a company's market value and its weighting in the index are calculated using the number of shares that are freely traded, rather than all outstanding shares. Shares that are not freely traded, such as the holdings of controlling shareholders and their families, company management, and other companies, are excluded from the calculation. A company's weighting in the index is the float-adjusted market value of the company (that is, the share price multiplied by the number of freely traded shares outstanding) as a percentage of the combined float-adjusted market value of all companies in the index.

S&P 500 Stock Index Major Industry Groups* December 31, 2019



* Due to rounding, numbers may not add up to exactly 100%.

C Fund Investments—The C Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. The C Fund holds all the stocks included in the S&P 500 in virtually the same weights that they have in the index. The performance of the C Fund is evaluated on the basis of how closely its returns match those of the S&P 500. A portion of the C Fund assets is reserved to meet the needs of daily participant activity. This liquidity reserve is invested in S&P 500 futures contracts.

Note: Participants' interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the *first two* IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)



S FUND

SMALL CAPITALIZATION STOCK INDEX INVESTMENT FUND

Information

as of December 31, 2019

Assets \$74.1 billion*

Net Administrative Expenses**

\$0.42 per \$1,000 account balance,
0.042% (4.2 basis points)

Other Expenses***

0.018%

* Assets under management include allocated assets from the L Funds.

** An expense ratio of .042% translates to 4.2 basis points or \$0.42 per \$1,000 account balance.

*** Fees paid to investment manager

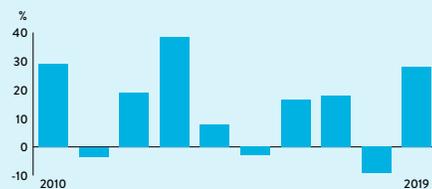
Benchmark Index

Dow Jones U.S. Completion TSM Index
www.djindexes.com

Asset Manager

BlackRock Institutional Trust
Company, N.A.

Rates of Return



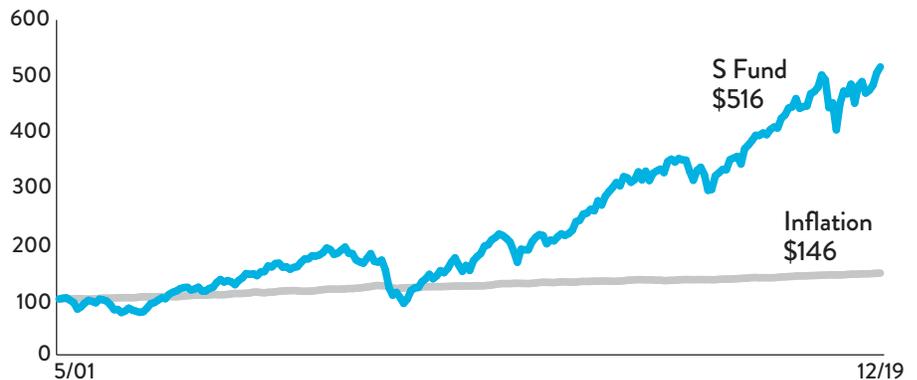
	S Fund*	Dow Jones U.S. Completion TSM Index
1-Year	27.97%	27.94%
3-Year	11.14%	10.97%
5-Year	9.17%	8.84%
10-Year	13.08%	12.72%
Since Inception May 1, 2001	9.19%	9.09%

* After expenses

Key Features

- The S Fund offers the opportunity to earn a potentially high investment return over the long term by investing in the stocks of small and medium-sized U.S. companies.
- The objective of the S Fund is to match the performance of the Dow Jones U.S. Completion Total Stock Market (TSM) Index, a broad market index made up of stocks of U.S. companies not included in the S&P 500 Index.
- There is a risk of loss if the Dow Jones U.S. Completion TSM Index declines in response to changes in overall economic conditions (market risk).
- Earnings consist of gains (or losses) in the prices of stocks and dividend income.

Growth of \$100 Since Inception



Dow Jones U.S. Completion TSM Index Top Ten Holdings as of December 31, 2019

Tesla Motors, Inc.
Blackstone Group, Inc. Class A
Lululemon Athletica, Inc.
Workday, Inc. Class A
Splunk, Inc.

Palo Alto Networks, Inc.
CoStar Group, Inc.
Square, Inc. Class A
Dexcom, Inc.
Liberty Broadband Corp. Series C

S Fund Facts

By law, the S Fund must be invested in a portfolio designed to replicate the performance of an index of U.S. common stocks, excluding those that are held in the C Fund. The Federal Retirement Thrift Investment Board has chosen as its benchmark the Dow Jones U.S. Completion Total Stock Market Index, which tracks the performance of the actively traded non-S&P 500 stocks in the U.S. stock markets.

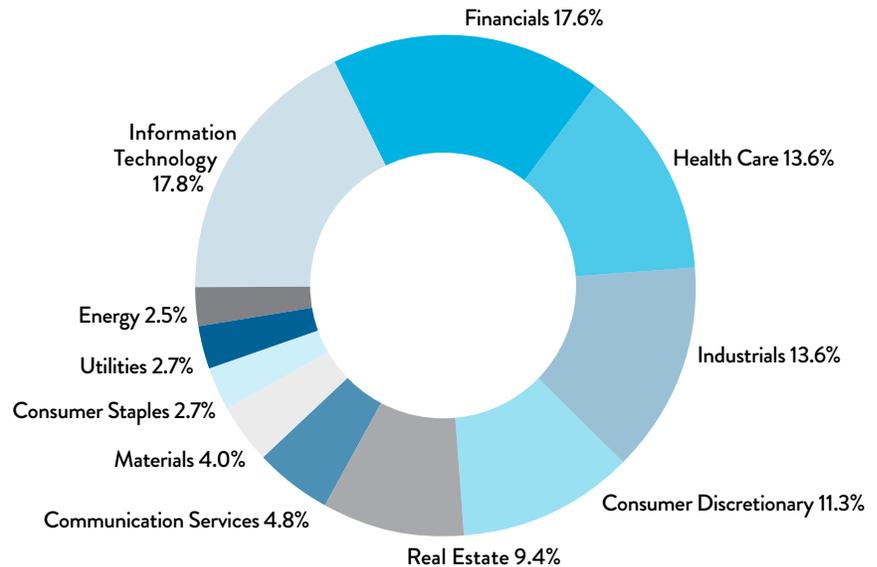
The **Dow Jones U.S. Completion Total Stock Market Index** is an index of all actively traded U.S. common stocks that are not included in the S&P 500. The index is designed to be the broadest measure of the non-S&P 500 domestic stock markets. As of December 31, 2019, the index was comprised of 3,266 common stocks. The Dow Jones U.S. Completion TSM Index made up approximately 16% of the market value of the U.S. stock markets; the S&P 500 accounted for the other 84%. Thus, the combined S Fund and C Fund cover virtually the entire U.S. stock markets.

The Dow Jones U.S. Completion TSM Index is weighted by float-adjusted market capitalization, in which a company's market value and its weighting in the index are calculated using the number of shares that are freely traded, rather than all outstanding shares. Shares that are not freely traded, such as the holdings of controlling shareholders and their families, company management, and other companies, are excluded from the calculation. A company's weighting in the index is the float-adjusted market value of the company (that is, the share price multiplied by the number of freely traded shares outstanding) as a percentage of the combined float-adjusted market value of all companies in the index. As of December 31, 2019, the largest 100 companies in the Dow Jones U.S. Completion TSM Index represented approximately 25% of the index.

S Fund Investments—The S Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. The S Fund is invested in the Dow Jones U.S. Completion TSM Index, which contains a large number of stocks, including illiquid stocks with low trading volume and

Dow Jones U.S. Completion TSM Index Major Industry Groups*

December 31, 2019



* Due to rounding, numbers may not add up to exactly 100%.

stocks with prices lower than \$1.00 per share. Therefore, it is not efficient for the S Fund to invest in every stock in the index. The S Fund holds the stocks of most of the companies in the index with market values greater than \$1 billion. However, a mathematical sampling technique is used to select among the smaller stocks. The mathematical model considers size and industry group to match the industry weights in the index. Within each industry group, the stocks that are chosen are expected to produce a return that is very close to the return of the Dow Jones U.S. Completion TSM Index. The performance of the S Fund is evaluated on the basis of how closely its returns match those of the Dow Jones U.S. Completion TSM Index.

A portion of S Fund assets is reserved to meet the needs of daily client activity. This liquidity reserve is invested in futures contracts of the S&P 400 and Russell 2000 (other broad equity indexes).

Note: Participants' interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the *first two* IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)



I FUND

INTERNATIONAL STOCK INDEX INVESTMENT FUND

Information

as of December 31, 2019

Assets \$54.3 billion*

Net Administrative Expenses**

\$0.42 per \$1,000 account balance,
0.042% (4.2 basis points)

Other Expenses***

0.007%

* Assets under management include allocated assets from the L Funds.

** An expense ratio of .042% translates to 4.2 basis points or \$0.42 per \$1,000 account balance.

*** Fees paid to investment manager

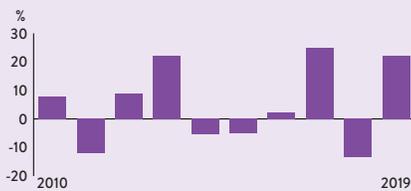
Benchmark Index

MSCI EAFE Stock Index
www.msci.com

Asset Manager

BlackRock Institutional Trust
Company, N.A.

Rates of Return



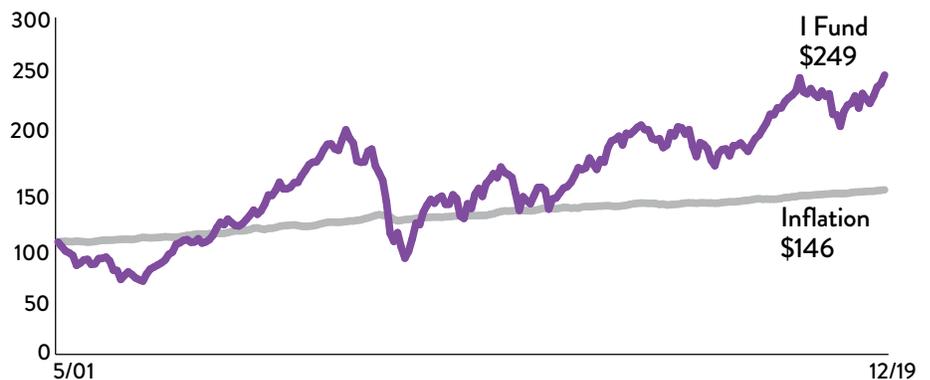
	I Fund*	EAFE Index
1-Year	22.47%	22.01%
3-Year	9.97%	9.56%
5-Year	6.20%	5.67%
10-Year	5.85%	5.50%
Since Inception May 1, 2001	5.00%	4.86%

* After expenses

Key Features

- The I Fund offers the opportunity to earn a potentially high investment return over the long term by investing in the stocks of companies in developed countries outside the United States.
- The objective of the I Fund is to match the performance of the MSCI EAFE (Europe, Australasia, Far East) Index.
- There is a risk of loss if the EAFE Index declines in response to changes in overall economic conditions (market risk) or in response to increases in the value of the U.S. dollar (currency risk).
- Earnings consist of gains (or losses) in the prices of stocks, currency changes relative to the U.S. dollar, and dividend income.

Growth of \$100 Since Inception



MSCI EAFE Top Ten Holdings

as of December 31, 2019

Nestlé S.A.
Roche Holding Par AG
Novartis AG
Toyota Motor Corporation
HSBC Holdings PLC

SAP
Total SA
AstraZeneca PLC
LVMH
BP PLC

I Fund Facts

By law, the I Fund must be invested in a portfolio designed to track the performance of an index of common stocks representing international stock markets outside of the United States. The Federal Retirement Thrift Investment Board has chosen as its benchmark the MSCI EAFE (Europe, Australasia, Far East) Index, which tracks the overall performance of the major companies and industries in the European, Australian, and Asian stock markets.

A significant component of the return of the EAFE Index (and the I Fund) results from changes in the value of the U.S. dollar relative to the currencies of the countries represented in the index. For example, the EAFE Index returned 7.75% in 2010, but that return included a decrease in the value of the U.S. dollar, which increased the return by 2.93%.

The **EAFE Index**, published by MSCI, is an index of the equity markets of the developed world outside of the United States and Canada. It is the most widely used international stock index. As of December 31, 2019, the index covered the equity markets of 21 countries, as shown in the table.

The companies in the EAFE Index are large companies. The index is weighted by float-adjusted market capitalization, in which a company's market value and its weighting in the index are calculated using the number of shares that are freely traded, rather than all outstanding shares. Shares that are not freely traded, such as the holdings of controlling shareholders and their families, company management, and other companies, are excluded from the calculation. Also excluded are shares subject to foreign ownership limitations imposed by governments or companies. Within each country, a company's weighting is the float-adjusted market value of the company (that is, the share price multiplied by the number of freely traded shares outstanding) as a percentage of the combined float-adjusted market value of all companies in the index. Similarly, a country's weighting in the EAFE Index is the float-adjusted market value of its stock market as a percentage of the combined

EAFE Equity Index Fund

Country Composition

December 31, 2019

Country	Percent of Holdings*	Number of Companies
Europe		
Austria	0.2	6
Belgium	1.0	11
Denmark	1.8	17
Finland	0.9	12
France	11.5	77
Germany	8.7	59
Ireland	0.6	7
Italy	2.3	24
Netherlands	4.0	22
Norway	0.6	10
Portugal	0.2	3
Spain	2.9	22
Sweden	2.6	32
Switzerland	9.1	39
United Kingdom	<u>16.7</u>	<u>96</u>
Europe	63.1	437
Australasia/Far East		
Australia	6.9	69
Hong Kong	3.4	43
Israel	0.6	12
Japan	24.5	324
New Zealand	0.3	8
Singapore	<u>1.2</u>	<u>25</u>
Australasia/Far East	<u>36.9%</u>	<u>481</u>
Total EAFE Index	100.0%	918

Source: BlackRock

* Due to rounding, numbers may not add up to exactly 100%.

float-adjusted market value of all stock markets included in the EAFE Index.

I Fund Investments—The I Fund is invested in a separate account that is managed by BlackRock Institutional Trust Company, N.A. The I Fund holds common stocks of all the companies represented in the EAFE Index in virtually the same weights that they have in the index. The return on the I Fund will differ from that of the EAFE Index on days when BlackRock makes a “fair valuation” adjustment to the price of the securities held by the fund. Fair valuation adjustments are made on days when there are large movements in either U.S. equity markets or currency exchange rates after the foreign markets have closed. Fair valuation prevents traders from exploiting “stale” prices, thus diluting the returns of

other TSP participants who invest in the I Fund.

The performance of the I Fund is evaluated on the basis of how closely its returns match those of the EAFE Index. A portion of the I Fund's assets is reserved to meet the needs of daily client activity. This liquidity reserve is invested in futures contracts.

Note: Participants' interfund transfer (IFT) requests redistribute their existing account balances among the TSP funds. For each calendar month, the *first two* IFTs can redistribute money among any or all of the TSP funds. After that, for the remainder of the month, IFTs can *only* move money into the G Fund. (For participants with more than one TSP account, this rule applies to each account separately.)



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