

C FUND

COMMON STOCK INDEX INVESTMENT FUND

Information

as of December 31, 2016

Assets

\$156.4 billion

Net Administrative Expenses*

\$0.38 per \$1,000 account balance,
0.038% (3.8 basis points)

Other Expenses**

0.004%

* An expense ratio of .038% translates to 3.8 basis points or \$0.38 per \$1,000 account balance.

** Fees associated with securities lending are not included in 2016 administrative expenses. Consistent with standard practice in the industry, they are charged in addition to administrative expenses. The other expenses represent fees paid to the investment manager for administering securities lending programs. Income earned from these programs improved the returns of the fund.

Benchmark Index

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

Asset Manager

BlackRock Institutional Trust
Company, N.A.

Rates of Return

2007–2016



	C Fund*	S&P 500 Index
1-Year	12.01%	11.96%
3-Year	8.95%	8.87%
5-Year	14.73%	14.66%
10-Year	7.00%	6.95%
Since Inception	10.16%	10.20%

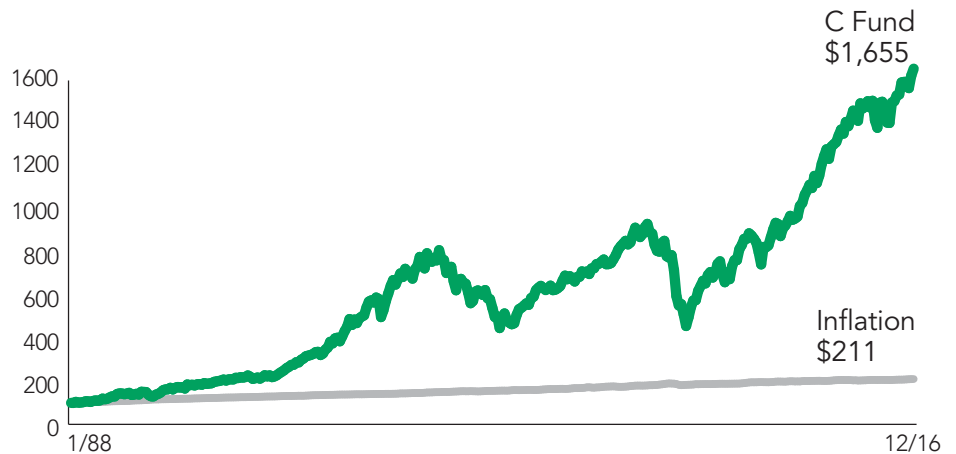
January 29, 1988

* 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, 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 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



S&P 500 Top Ten Holdings

as of December 31, 2016

Apple Inc.
Microsoft Corporation
Exxon Mobil Corporation
Johnson & Johnson
Berkshire Hathaway Inc. Class B

JPMorgan Chase & Company
Amazon.com Inc.
General Electric Company
Facebook Inc. Class A
AT&T Inc.

C Fund Facts

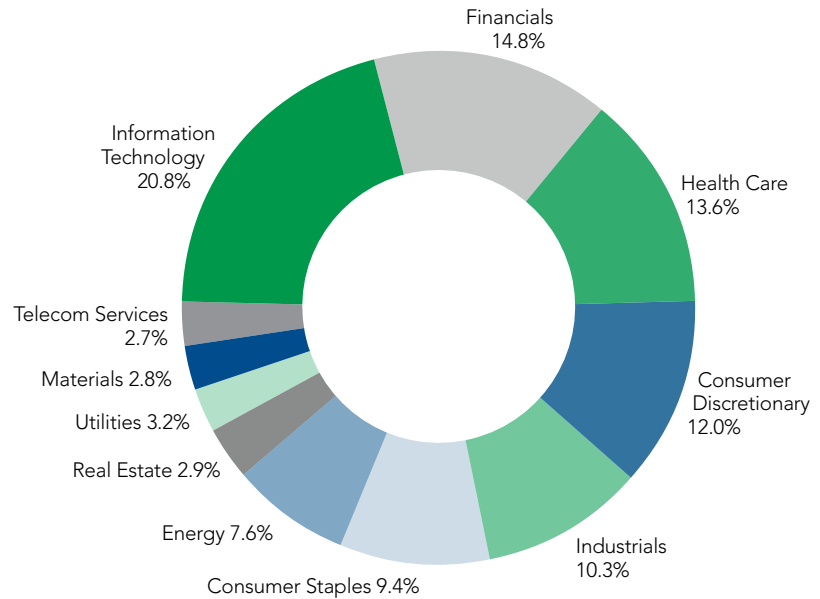
By law, the C Fund must be invested in a portfolio designed to replicate the performance of an index of stocks representing the U.S. stock markets. The Federal Retirement Thrift Investment Board has chosen as its benchmark the Standard & Poor's 500 Stock Index, which tracks the performance of major U.S.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

The **S&P 500 Index** is an index of 500 large to medium-sized U.S. companies that are traded in the U.S. stock markets. The index was designed by Standard & Poor's Corporation (S&P) to provide a representative measure of U.S. stock markets' 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 Index represent approximately 82% of the market value of the U.S. stock markets.

The S&P 500 is considered a "big company" index. As of December 31, 2016, the largest 100 companies in the S&P 500 represented approximately 64% of the index's market value. The S&P 500 Index includes 383 securities traded on the New York Stock Exchange and 122 securities that are traded on the NASDAQ. The market value of the largest company in the index is approximately \$609 billion; the market value of the smallest company is approximately \$2.8 billion.

The S&P 500 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

S&P 500 Stock Index Major Industry Groups* December 31, 2016



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

a percentage of the combined float-adjusted market value of all companies in the index.

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 Index 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 Index. 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 Index 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.)