



S FUND

SMALL CAPITALIZATION STOCK INDEX INVESTMENT FUND

Information

as of December 31, 2017

Assets \$67.6 billion*

Net Administrative Expenses**

\$0.32 per \$1,000 account balance,
0.032% (3.2 basis points)

Other Expenses***

0.027%

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

** An expense ratio of .032% translates to 3.2 basis points or \$0.32 per \$1,000 account balance.

*** Fees associated with securities lending are not included in 2017 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.

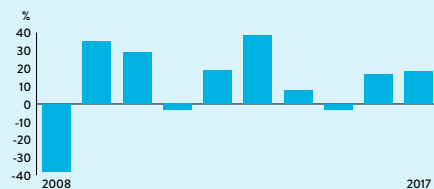
Benchmark Index

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

Asset Manager

BlackRock Institutional Trust
Company, N.A.

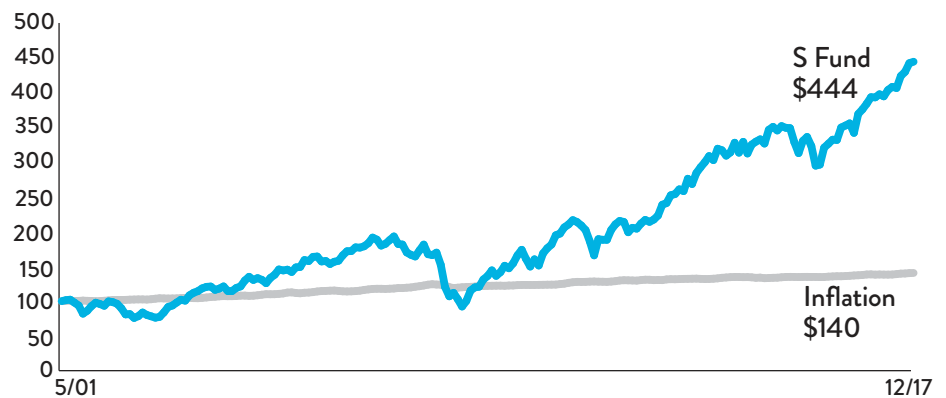
Rates of Return



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, 2017

	S Fund*	Dow Jones U.S. Completion TSM Index
1-Year	18.22%	18.12%
3-Year	10.12%	9.71%
5-Year	14.77%	14.43%
10-Year	9.37%	9.15%
Since Inception May 1, 2001	9.36%	9.27%

* After expenses

Tesla Motors Inc.
Las Vegas Sands Corporation
ServiceNow, Inc.
Liberty Global PLC Class C
T-Mobile US, Inc.

FleetCor Technologies, Inc.
Dell Technologies, Inc. Class V
Markel Corporation
BioMarin Pharmaceutical, Inc.
Twitter, Inc.

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.

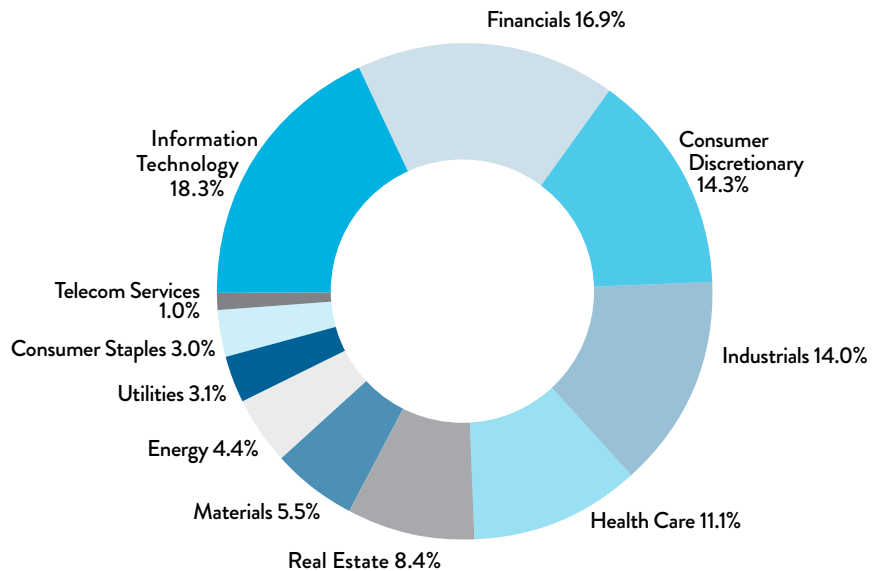
The **Dow Jones U.S. Completion Total Stock Market Index** is an index of all actively traded U.S. common stocks that are not included in the S&P 500 Index. The index is designed to be the broadest measure of the non-S&P 500 domestic stock markets. As of December 31, 2017, the index was comprised of 3,273 common stocks. The Dow Jones U.S. Completion TSM Index made up approximately 18% of the market value of the U.S. stock markets; the S&P 500 accounted for the other 82%. 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, 2017, the largest 100 companies in the Dow Jones U.S. Completion TSM Index represented approximately 22% 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 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 stocks

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

December 31, 2017



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

with prices lower than \$1.00 per share. Therefore, it is not efficient for the 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 industry's return in 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.)