Types of TSP Funds

The TSP has five types of funds:

- C Fund - Common Stock Index Investment Fund
- F Fund - Fixed Income Index Investment Fund
- G Fund - Government Securities Investment Fund
- S Fund - Small Capitalization Stock Index Investment Fund
- I Fund - International Stock Index Investment Fund

Participants may contribute to one, two, three, four, or all five funds. They may contribute different proportions or amounts based on their retirement needs and personal budget. The three funds provide the flexibility needed to better meet each employee's investment needs.

The Common Stock Index Investment Fund (C fund) invests its money to mirror the results of the larger stock market. When the market goes up, its value rises. During a market decline the value of this fund will drop. The stock market funds have provided the best return over the long term. However, the swings in value of retirement funds may be disturbing, particularly to individuals approaching retirement age.

The Fixed Income Index Investment Fund (F fund) invests money into a fund which reflects the results of an average of corporate bonds. This fund approximates the return on commercial bonds. The F fund provides more stability than the C fund, but may not increase in value as rapidly as the stock fund. The fund's value will vary but not as much as the stock fund. This may appeal to people who are uncomfortable with their retirement money tied to the stock market but want a higher return than government securities provide.

The Government Securities Investment Fund (G fund) invests money into special issues of government securities. This fund provides a very stable environment for retirement money. Its rate of growth will usually be the lowest of the three funds.

The Small Capitalization Stock Index Investment Fund (S fund) invests money in a stock index fund that tracks medium and small companies included in the Wilshire 4500 stock index. The Wilshire 4500 index tends to fluctuate more than the S&P 500 index returns, therefore, S Fund investments are expected to be more volatile than C Fund investments.

The International Stock Index Investment Fund (I fund) invests in a stock index fund that tracks the 21 countries included in the Barclays EAFE Index Fund, a commingled fund that tracks the Europe, Australasia, and Far East (EAFE) stock index. EAFE index returns tend to fluctuate more than S&P 500 index or Wilshire 4500 returns; thus, I Fund investments are expected to be more volatile than C or S Fund investments.