Key Features

• The F Fund offers the opportunity to earn rates of return that exceed those of money market funds over the long term (particularly during periods of declining interest rates), 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.

Information as of December 31, 2018

Assets $27.6 billion*

Net Administrative Expenses**
$0.41 per $1,000 account balance,
0.041% (4.1 basis points)

Other Expenses***
0.016%

* Assets under management include allocated assets from the L Funds.
** An expense ratio of .041% translates to 4.1 basis points or $0.41 per $1,000 account balance.
*** Fees paid to investment manager

Average Duration 5.60 years

Yield to Maturity 3.20%

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

Asset Manager
BlackRock Institutional Trust Company, N.A.

Rates of Return

<table>
<thead>
<tr>
<th></th>
<th>F Fund*</th>
<th>Bloomberg Barclays U.S. Aggregate Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>0.15%</td>
<td>0.01%</td>
</tr>
<tr>
<td>3-Year</td>
<td>2.28%</td>
<td>2.06%</td>
</tr>
<tr>
<td>5-Year</td>
<td>2.88%</td>
<td>2.52%</td>
</tr>
<tr>
<td>10-Year</td>
<td>3.73%</td>
<td>3.48%</td>
</tr>
<tr>
<td>Since Inception</td>
<td>6.04%</td>
<td>6.05%</td>
</tr>
<tr>
<td>January 29, 1988</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* After expenses

Growth of $100
Since Inception

F Fund $616
Inflation $220
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, 2018, the index included 10,252 notes and bonds. Its yield to maturity* was 3.20%. The average duration (a measure of interest rate risk) of the U.S. Aggregate Index was 5.60 years, which means that a 1% increase (decrease) in interest rates could be expected to result in a 5.60% 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**

*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.)

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* 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.