



C FUND

Common Stock Index Investment Fund

Fund Information

Net Assets

as of December 31, 2003

\$56.8 billion

2003 Administrative Expense Ratio

.10% (10 basis points)

\$1.00 per \$1,000 account balance

Benchmark Index

Standard & Poor's 500 stock index

www.standardandpoors.com

Asset Manager

Barclays Global Investors

Returns

as of December 31, 2003

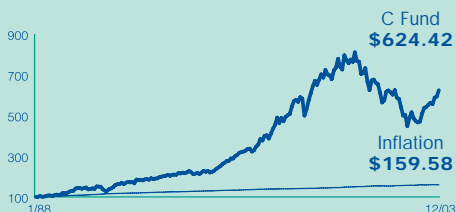
	C Fund ¹	S&P 500 Index ²
1 Year	28.5	28.7
5 Year	-0.6	-0.6
10 Year	11.0	11.1
Since Inception	12.1	12.5

Jan. 29, 1988

(See footnotes on back.)

Growth of \$100

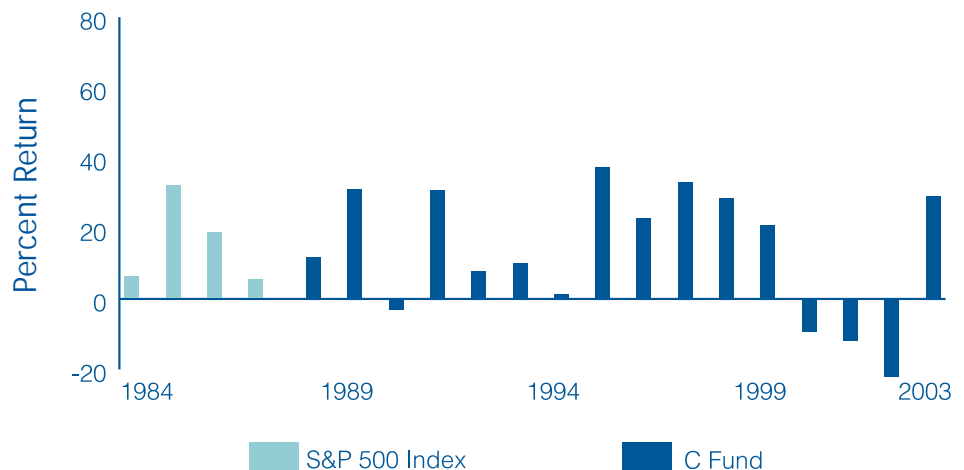
Since Inception



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-size U.S. companies.
- The objective of the C Fund is to match the performance of the S&P 500 index, a broad market index made up of stocks of 500 large to medium-size U.S. companies.
- There is a risk of loss if the S&P index declines in response to changes in overall economic conditions (market risk).
- Earnings consist of gains and losses in the prices of stocks, and dividend income.

C Fund Returns* 1984 - 2003



* For periods before the inception of the C Fund, the rate shown is the return of the S&P 500 index (without deduction for management fees, trading costs, and administrative expenses).

S&P 500 Top Ten

Company	Percent of Index
General Electric	3.02
Microsoft Corporation	2.89
Exxon Mobil Corporation	2.63
Pfizer, Inc.	2.62
Citigroup, Inc.	2.43
Wal-Mart Stores	2.23
Intel Corporation	2.04
American International Group	1.68
Cisco Systems	1.63
International Business Machines	1.55

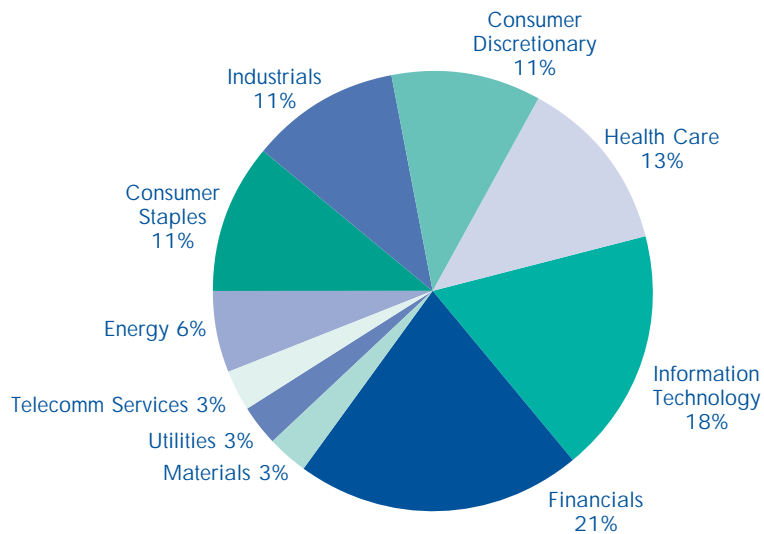
C FUND FACTS

By law, the C Fund must be invested in a portfolio designed to replicate the performance of an index that includes stocks representing the U.S. stock market. The Board has chosen as its benchmark the S&P 500 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-size 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 market performance. As of December 31, 2003, 494 common stocks and 6 real estate investment trusts (REITs) were included in the index. (REITs accounted for 0.4 percent of the index's market value.) The companies in the index represented 114 separate industries classified into the 10 major industry groups shown in the chart. The S&P 500 index made up 78% of the market value of the U.S. stock markets.

The S&P 500 is considered a "big company" index; the largest companies represent the largest portion of the index. As of December 31, 2003, the largest 100 companies in the S&P 500 represented 68% of the index's market value. A company's weighting in the S&P 500 index is the total market value of the company (that is, the share price multiplied by the number of shares outstanding) as a percentage of the combined market value of all companies in the index.

S&P 500 Index
Major Industry Groups
December 31, 2003



Barclays Equity Index Fund — The C Fund is invested in the Barclays Equity Index Fund. 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 Equity Index Fund is evaluated on the basis of how closely its returns match those of the S&P 500 index. A portion of Equity Index Fund assets is reserved to meet the needs of daily client activity. This liquidity reserve is invested in S&P 500 index futures contracts.

The C Fund invests in the Barclays Equity Index Fund by purchasing shares of the Barclays Equity Index Fund "E," which in turn holds primarily shares of the Barclays Equity Index Master Fund. As of December 31, 2003, C Fund holdings constituted \$54.3 billion of the Equity Index Master Fund, which itself held \$141.1 billion of securities.

Notes from front:

¹ Rate of return after deduction of management fees, trading costs, and TSP administrative expenses.

² Rate of return calculated by Standard & Poor's, without any deduction for management fees, trading costs, and administrative expenses.