

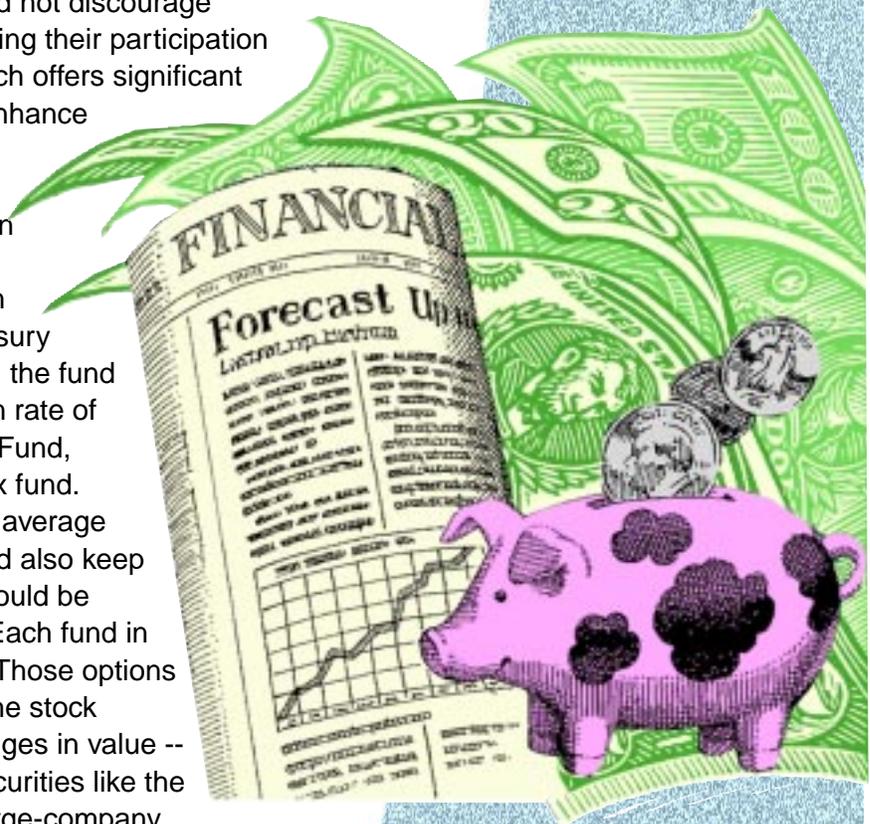
TSP Offers Alternatives to Those Nervous About Financial Markets

It's tough to turn on the news these days without hearing about corporate accounting scandals and the plummeting stock market.

The uncertainty on Wall Street should not discourage Sailors from participating or maximizing their participation in the Thrift Savings Plan (TSP), which offers significant tax incentives and opportunities to enhance retirement savings. One option for Sailors enrolled in TSP to consider while investors weather the storms on Wall Street is the G Fund, which consists exclusively of investments in short-term, nonmarketable U.S. Treasury securities issued to TSP. Since 1991, the fund has earned an average annual return rate of 6.5 percent. Another option is the F Fund, which is the TSP's bond market index fund. Since 1991, it has earned an annual average return of 12.9 percent. Sailors should also keep in mind that investment decisions should be made with long-term goals in mind. Each fund in the TSP has its own risk and return. Those options range from complete investment in the stock market -- and its corresponding changes in value -- to extremely low-risk government securities like the G Fund. The C Fund is the TSP's large-company Stock Index Fund. Since 1991 it has earned an annual average return of 12.9 percent. The S Fund, TSP's medium and small company stock index fund, and the I Fund, the International Stock Index fund, opened in May 2001, so neither has a long-term track record with regard to returns. One of the other key benefits of the TSP is its flexibility, allowing Sailors the opportunity to move their money to different funds. One of the 782 E-3s who have enrolled in the program is Fireman Tarah Horney, attending Machinery Repairman "A" school at Service School Command in Great Lakes, Ill. Horney said she likes the hands-on approach to managing her TSP investments.

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For more information on the Thrift Savings Plan, go to **HYPERLINK**
"<http://www.tsp.gov>" www.tsp.gov.



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