



L FUNDS

LIFECYCLE FUNDS

Information

To see which L Fund might be right for you, refer to the “Choosing an L Fund” table on the next page.

Target Dates

(when you expect to need the money)

Choose:	If your target date is:
L 2065	2063 or later
L 2060	2058 – 2062
L 2055	2053 – 2057
L 2050	2048 – 2052
L 2045	2043 – 2047
L 2040	2038 – 2042
L 2035	2033 – 2037
L 2030	2028 – 2032
L 2025	2021 – 2027
L Income	Now withdrawing or withdrawing before 2021

Assets \$136.5 billion (as of 12/31/2019)

Net Administrative and Other Expenses

Fund*	2019 Net Expenses**	2019 Other Expenses***
L 2050	.042%	.005%
L 2040	.042%	.005%
L 2030	.042%	.004%
L Income	.042%	.001%

* L 2025, L 2035, L 2045, L 2055, L 2060, and L 2065 did not exist in 2019.

** An expense ratio of .042% translates to 4.2 basis points or \$0.42 per \$1,000 account balance.

*** Fees paid to investment manager

Inception

The first L Funds were introduced August 1, 2005.

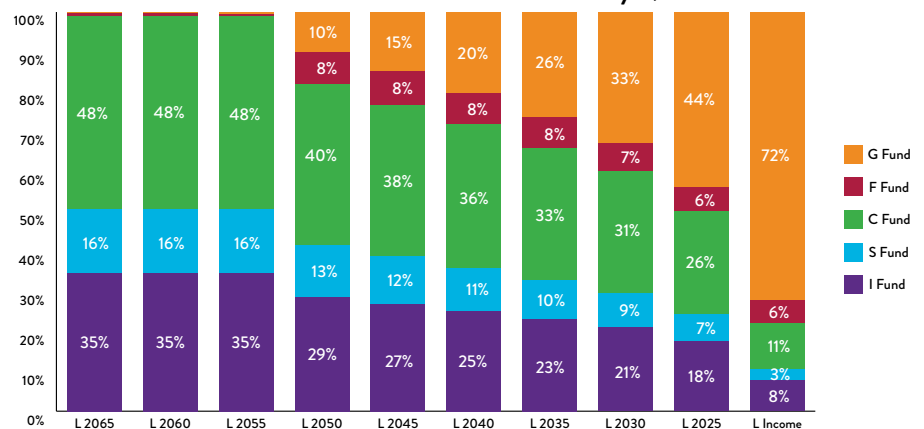
Key Features

- **Each of the ten L Funds is a diversified mix of the five core funds (G, F, C, S, and I).** They were designed by our investment consultants to let you invest your entire portfolio in a single L Fund and get the best expected return for the amount of expected risk that is appropriate for you.¹
- **The year in the name of the L Fund is its target date, and the exact mix of core funds in each L Fund is called the target allocation.** The farther away the target date, the more aggressive the target allocation. So, for example, L 2065 is designed for people who plan to retire and begin withdrawing money within a few years of 2065. These younger participants can take more risk, seeking greater reward, because they have time to recover from any market downturns before they'll need their money. L 2065's target allocation includes more of the aggressive C, S, and I Funds and very little of the conservative G and F Funds.
- **Every quarter (three months), the target allocations of all the L Funds except L Income² are automatically adjusted,** gradually shifting them from higher risk and reward to lower risk and reward as they get closer to their target dates. When an L Fund reaches its target date, it goes out of existence and any money in it becomes part of the L Income Fund. For example, in 2025, the L 2025 Fund will be rolled into the L Income Fund. (See the bar graph below for the current target allocations.)
- **One of the important things about the L Funds is that they stick to their target allocations for a full quarter regardless of what the markets do.** Every trading day, some of the core funds in an L Fund will do better than others. At the end of the day, the core funds that did better will make up a higher percentage of the L Fund than the ones that did less well. To maintain each L Fund's target allocation, we rebalance it at the end of every trading day. We do this by buying and selling the core funds that make up the L Fund so that the percentages go back to what they were at the beginning of the day. In effect we're buying low and selling high at the end of every trading day.
- **Important:** L Funds carry the same risks as the core funds they include. Investors may experience losses at any time, including as they approach retirement and after they've retired. There is no guarantee that the L Funds will provide adequate retirement income. For the L Funds' historical returns, visit “Fund Performance” at tsp.gov. Past performance does not guarantee future results.

¹ The asset allocations are based on assumptions regarding future investment returns, inflation, economic growth, and interest rates. We regularly review these assumptions to see whether changes to the allocations should be made.

² The target allocation of the L Income Fund generally does not adjust quarterly because its target date is always the present. However, following the review process described in footnote 1, we decided in 2019 to change L Income's target allocation, putting more of it into the C, S, and I Funds and less into the G and F Funds. We are using quarterly adjustments to make that change gradually over ten years. After that, L Income will once again have a constant target allocation.

Here's how each L Fund is invested as of July 1, 2020:



Less than 1% of the L 2065, L 2060, and L 2055 Funds is invested in the G and F Funds. Due to rounding, numbers may not add up to exactly 100%.

CHOOSING AN L FUND

L Income Fund

Consider investing in this fund if:

- You are already withdrawing from your TSP account or
- You were born before 1958

L 2025 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2021 – 2027 or
- You were born between 1958 – 1964

L 2030 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2028 – 2032 or
- You were born between 1965 – 1969

L 2035 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2033 – 2037 or
- You were born between 1970 – 1974

L 2040 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2038 – 2042 or
- You were born between 1975 – 1979

L 2045 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2043 – 2047 or
- You were born between 1980 – 1984

L 2050 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2048 – 2052 or
- You were born between 1985 – 1989

L 2055 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account between 2053 – 2057 or
- You were born between 1990 – 1994

L 2060 Fund

Consider investing in this fund if:

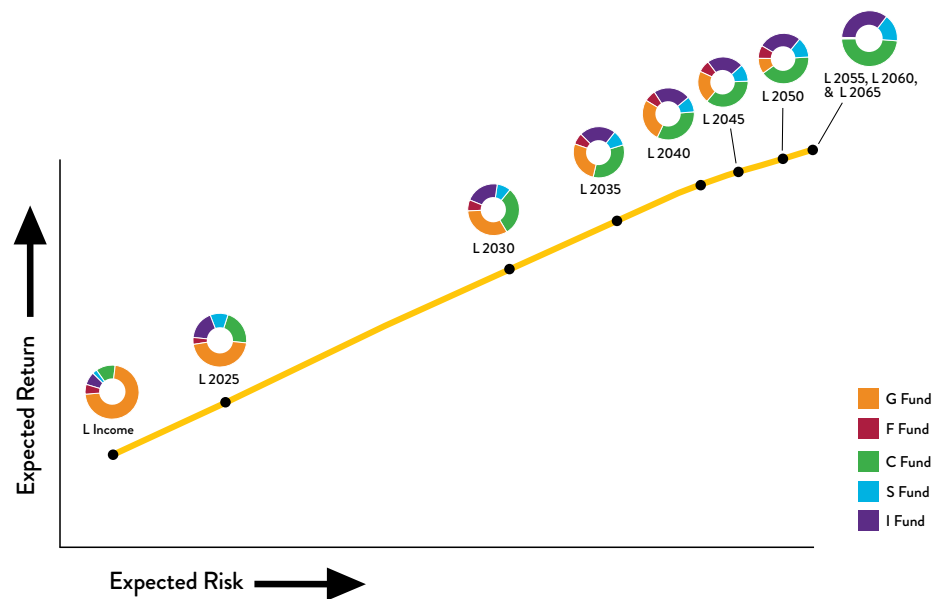
- You plan to begin withdrawing from your TSP account between 2058 – 2062 or
- You were born between 1995 – 1999

L 2065 Fund

Consider investing in this fund if:

- You plan to begin withdrawing from your TSP account after 2062 or
- You were born after 1999

L Funds and the Efficient Frontier



The graph above illustrates what investment experts call the “efficient frontier.” The curved yellow line plots the portfolios that offer the highest expected return for a given level of risk or the lowest risk for a given level of expected return. All of the L Funds were designed to be as close as possible to the efficient frontier. As the target allocations of each L Fund are adjusted every quarter, the funds gradually roll down and to the left on the graph until they merge with the L Income Fund and are replaced with a new L Fund at the highest point on the efficient frontier.

Notes:

- Earnings are calculated daily, and there is a daily share price for each L Fund.
- You may invest any part of your TSP account in any L Fund, and even invest in more than one L Fund. Remember, though, that each L Fund contains all five core funds, so you’ll be duplicating much of your investment.
- 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.)