Here's what you do:

Just select one of the five new Lifecycle Funds. Each fund will be based on when you anticipate needing the money (your time horizon). The funds are named for future decades. These are your choices:

- L Fund 2040
- L Fund 2030
- L Fund 2020
- L Fund 2010
- Income Fund (for those who are separated from Federal service and withdrawing their accounts)

Pick the fund that comes closest to your time horizon. The rest of the work is done for you.

The Lifecycle Funds will be invested in various combinations (asset allocations) using the five existing TSP Funds — the G, F, C, S, and I Funds. Professional investment experts will determine the asset allocation that is appropriate for each Lifecycle Fund — both initially and over time as the fund moves towards its time horizon.

With the
TSP Lifecycle Funds,
you don't have to worry about
the bumps in the road.

Just relax and enjoy the ride.

If you don't have the time, interest, or knowledge to manage your TSP account, consider investing in

Lifecycle Funds

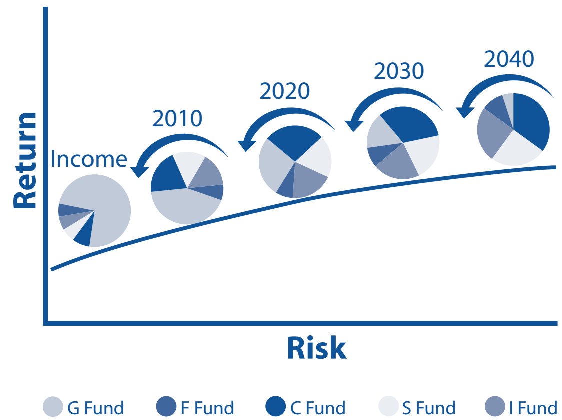
Here's how they work:

Initially, funds with target dates that are farther away (for example, L 2040) will be invested with larger allocations to equities (C, S, and I Funds), which are riskier, but which also offer the potential for greater growth. The funds with shorter time horizons will have a larger portion invested in fixed-income assets, which are less risky — that is, bonds (F Fund) and Government securities (G Fund).

Over time, the assets in each Lifecycle Fund are moved gradually and automatically into less risky investments. By the time you are ready to withdraw your account, your money will be invested primarily in fixed-income assets. (See the graph on the back.)

After that, it's an easy road to your investment future.

The illustration below shows how the Lifecycle Funds will change over time. The funds on the right side of the graph contain greater proportions of the riskier funds. The funds on the left contain greater proportions of the less risky funds.



Over time, the allocations in the funds are gradually and automatically shifted to become more conservative. The Income Fund, which is for participants who are already withdrawing money from their accounts, is the least risky.

Thrift Savings Plan

www.tsp.gov
TSPLF18 (4/05)

Major advantages:

- You don't have to remember to adjust the allocation of your contributions or periodically rebalance your account — those things are done for you automatically.
- There are no additional fees for investing in Lifecycle Funds. Your expense ratio will be based on the expenses of the core TSP funds in which your Lifecycle Fund is invested.

Professionally determined asset allocations are not a guarantee against loss. The asset allocations of the Lifecycle Funds are designed to produce (over time) the best possible return for the least amount of risk. However, because Lifecycle Funds include the same stocks and bonds contained in the core TSP funds, they will have periods of gain and loss.

The new funds will be available in the summer of 2005.

We'll keep you informed.