FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
1250 H Street, NW Washington, DC 20005

MINUTES OF THE MEETING OF THE BOARD MEMBERS

March 15, 2004

Thomas A. Fink, Member of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on March 15, 2004, at 9:00 a.m., Eastern Time. The meeting was open to the public at the Board's offices at 1250 H Street, NW, Washington, D.C. In attendance were Gordon J. Whiting of New York, member; Alejandro M. Sanchez of Florida, member; Terrence A. Duffy of Illinois, member (by telephone); Gary A. Amelio, Executive Director; Elizabeth S. Woodruff, Secretary; James B. Petrick, Director, Benefits and Investments; and Thomas J. Trabucco, Director, External Affairs.

1. Approval of the minutes of the February 17, 2004, Board member meeting.

Mr. Fink entertained a motion for approval of the minutes of the open portion of the February 17, 2004, Board member meeting. The following motion was made, seconded, and adopted without objection:

> MOTION: That the minutes of the open portion of the Board member meeting held on February 17, 2004, be approved.

2. Thrift Savings Plan activity report by the Executive Director.

a. Lifestyle/lifecycle funds.

James B. Petrick, Director, Benefits and Investments, summarized for the Board members a policy paper dated March 8, 2004, prepared by his office setting out the results of the Agency's research into lifestyle and lifecycle funds. The Board members discussed the relative advantages and disadvantages of each of the types of fund for TSP participants. The Board members also discussed the need for participant education and the communications that would be necessary to enable participants to use such a fund effectively. The Board members questioned who would bear the costs of a life fund; Mr. Amelio advised them that these details had not yet been determined, but he anticipated that the initial cost for setting up a life fund

and for education materials concerning the benefits of asset allocation would be borne by all participants; in contrast, the management fees, as with the other funds, would be borne by the users of the life fund. Mr. Amelio also stated that, for the type of fund that he envisioned recommending to the Board, the initial costs for setting up the fund would be minimal. A final staff recommendation concerning the adoption of a life fund will be presented to the Board at its April 19th meeting, together with recommended technical evaluation criteria to be included in a request for proposals.

b. Investment results/participation rates.

James B. Petrick presented the investment results for the month ending February 29, 2004. Investment returns for all of the funds continue to be positive for the preceding 12 months. He also advised the Board members on continuing high TSP participation rates, including rising rates among uniformed service members.

c. Communications.

Mr. Amelio presented the Board members with a number of recently revised communications materials, including the Loan booklet and several web site pages.

d. Parallel call center.

Mr. Fink asked for information on the status of the parallel call center. Mr. Amelio advised that Spherix has been meeting with Agency staff but there is no definitive date for the call center's launch. However, Mr. Amelio expects that the call center will be operational this summer.

e. Board meetings.

The Board's May meeting will be in San Francisco at Barclays Global Investors on May 17, 2004. Deloitte & Touche will present the results of its mid-year review at the Board's August meeting.

3. Closed session.

On a vote taken by the Secretary before the meeting, the members closed the meeting for discussions of internal personnel matters and procurement. Present during this portion of

the closed meeting were the Board members, Mr. Amelio, and Ms. Woodruff.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Mr. Fink adjourned the meeting at 11:00 a.m.

MOTION: That this meeting be adjourned.

Elizabeth S. Woodruff
Secretary
4/19/2004

NOTE: BETA Court Reporting Services made a verbatim transcript of this meeting.