



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD  
77 K Street, NE Washington, DC 20002

MINUTES OF THE MEETING OF THE BOARD MEMBERS

November 27, 2012

Michael D. Kennedy, Chairman of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on November 27, 2012, at 10:00 a.m., Eastern Time. The meeting was open to the public at the Board's offices at 77 K Street, N.E., Washington D.C. 20002. In attendance were Dana K. Bilyeu of Nevada, member, by telephone; Ronald D. McCray of Texas, member, by telephone; David A. Jones of Connecticut, member, by telephone; James B. Petrick, Acting Executive Director and General Counsel; Megan G. Grumbine, Acting Secretary; Susan C. Crowder, Acting Chief Financial Officer; Tracey A. Ray, Chief Investment Officer; Kimberly A. Weaver, Director, External Affairs; Renee C. Wilder, Director, Office of Enterprise Planning; Thomas K. Emswiler, Director, Office of Benefits; Sophie T. Dmuchowski, Acting Director, Office of Communications and Education; Gisile Goethe, Acting Director, Resource Management; Mark Walther, Chief Technology Officer; Toni Bush-Neal, Executive Advisor to the Executive Director; Brack Boone, Senior Auditor, Enterprise Risk Management.

1. Approval of the minutes of the October 22, 2012 Board member meeting.

Chairman Kennedy entertained a motion for approval of the minutes of the October 22, 2012 Board member meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board member meeting that was held on October 22, 2012 be approved.

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

Mr. Petrick gave opening remarks, including a brief summary of the agenda for the meeting.

a. Monthly Participant Activity Report

Ms. Wilder reviewed the report on TSP statistics. See "Thrift Savings Fund Statistics" (attached). Ms. Wilder noted that although total assets were down slightly to \$324 billion, net inflows into the Plan were strong during October. Of total Plan assets, approximately \$73 million are Roth contributions, which represent a strong increase over prior months. Increased Roth contributions were from both civilian and uniformed services participants.

b. Monthly Investment Performance Report

Ms. Ray reviewed the fund performance memorandum, entitled "October 2012 Performance Review – G, F, C, S, I, and L Funds" (attached). The first page compares BlackRock Funds' performance against their underlying indices. The tracking error has remained low, with a tracking error in the S Fund of 1 basis point for the month, and 44 basis points for the year-to-date, due primarily to the optimization process. The I Fund had a tracking error of 33 basis points, due to the tax effect of the index. Trading costs for all funds remain low.

Due to bad earnings reports and fears of a slow down in China, Ms. Ray pointed out that the C and S funds were down between 1 and 2 percent for the month of October. The Plan continues to see outflows from the equity funds and inflows into the G fund.

Chairman Kennedy asked whether there were any changes at BlackRock to the Plan's team of customer support and client service representatives. Ms. Ray responded that there were no changes.

Member McCray then asked about what contingencies the Agency has taken in light of the upcoming fiscal cliff and possible debt ceiling impasse. Ms. Crowder stated that the Agency has communicated with Treasury. She also stated that with regard to the debt ceiling, any impact to the G Fund will be realized later in December. Additionally, Mr. Petrick stated that any earnings related to the G Fund are required to be made up by law; and that he did not expect any issues given that the Agency has experienced this before, and in those instances has worked smoothly with Treasury.

Lastly, the Board discussed the timing of an Investment Options Review. This review would examine the options the Board currently offers and would be conducted by Ennis Knupp. After confirming that the Review would not substantially interfere with Ennis Knupp's other engagements, Chairman Kennedy suggested that the Agency start the review.

c. Legislative Report

Ms. Weaver reported that the Senate will likely take up the IRS levy bill before the December recess. If the Senate passes the bill, it will go to the President for signature.

Chairman Kennedy asked about any noticeable changes in Congress with regard to bipartisanship. Ms. Weaver responded that the rhetoric had shifted, but that carried no guarantee of an agreement.

d. Office of Benefits Update

Mr. Emswiler highlighted successful efforts by the Agency to allow hardship withdrawals to assist participants affected by Hurricane Sandy.

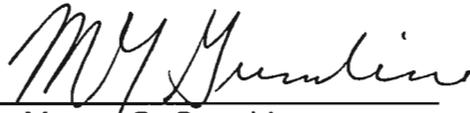
e. Office of Technology Update

Mr. Walther confirmed with the Board Members that they received the Office's questions regarding a new digital portal with which to review monthly Board material.

3. 2012/2013 Calendars

The Board discussed the upcoming 2013 calendar schedule, including the tentatively scheduled dates for monthly Board meetings.

MOTION: That this meeting be adjourned.



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Megan G. Grumbine  
Acting Secretary

Attachments

1. Thrift Savings Fund Statistics
2. October 2012 Performance Review – G, F, C, S, I, and L Funds