



MINUTES OF THE MEETING OF THE BOARD MEMBERS

June 23, 2011

By telephone, Andrew M. Saul, Chairman of the Federal Retirement Thrift Investment Board, convened a telephonic meeting of the Board members on June 23, 2011, at 10:00 a.m., Eastern Time. The meeting was open to the public at the Board's offices at 1250 H Street, N.W., Washington, D.C. In attendance were Alejandro Sanchez of Florida, member (by telephone); Michael D. Kennedy of Georgia, member (by telephone); Dana K. Bilyeu of Nevada, member (by telephone); Gregory T. Long, Executive Director; Thomas K. Emswiler, Secretary and General Counsel (by telephone); Mark A. Hagerty, Chief Information Officer; Pamela-Jeanne Moran, Director, Participant Services; Susan Crowder, Chief Accounting Officer; Tracey A. Ray, Chief Investment Officer; Renee Wilder, Director, Research and Strategic Planning.

1. Approval of the minutes of the May 16, 2011 Board member meeting.

Chairman Saul entertained a motion for approval of the minutes of the May 16, 2011 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 May 16, 2011, be approved.

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

a. Monthly Participant Activity Report

Ms. Wilder reviewed the report on TSP statistics. See "Thrift Savings Fund Statistics" (attached). She informed the Board that the total Thrift Saving Fund balance remains approximately \$290 billion. The TSP continues to receive about \$2 billion in monthly contributions. With a FERS participation rate of 84.5%, the TSP is rapidly approaching 4.5 million participants.

Ms. Wilder also reported that the active duty uniformed services participation rate continues to increase slowly but steadily. The active duty uniformed services participation rate reached 39.2% in the month of May. The ready reserve participation rate fell from 15.2% to 14.3%. Ms. Wilder explained that it is characteristic of the ready reserve participation rate to fluctuate.

b. Monthly Investment Performance Report

Ms. Ray reviewed the June 8, 2011 memorandum, entitled "May 2011 Performance Review" (attached). She reported that the BlackRock funds closely tracked their underlying indices. The I Fund had a small tracking error of positive 6 basis points, primarily as a result of the tax effect. The year-to-date tracking error for the I Fund is positive 26 basis points.

Ms. Ray reported that trading costs are low, with the exception of the I Fund. The I Fund's trading costs were 16.9 basis points in May and are 32.9 basis points year-to-date. Ms. Ray explained that the volatility of the markets is contributing to high trading costs in the I Fund.

The G Fund rate declined from 2.88% in May to 2.5% in June. The rates of return for the C, S, and I Funds remain positive year-to-date. Since August 2010, the C Fund is up 30%, the S Fund is up 41%, and the I Fund is up 25%. However, they were down in May by 1.1%, 1.3 %, and 3%, respectively.

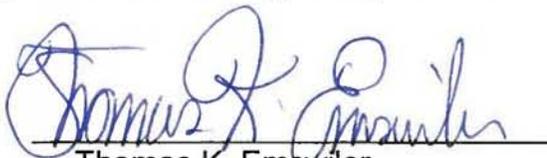
Ms. Ray reported that participants have now allocated 18% of their contributions to the L Funds. She also reported that the number of interfund transfers fell to below 100,000 for the first time since September 2010.

c. Legislative Report

Mr. Trabucco reported that President Obama has announced his intention to nominate Ronald McCray of Texas to be a member of the Federal Retirement Thrift Investment Board.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chairman Saul adjourned the meeting at 10:13 a.m.

MOTION: That this meeting be adjourned.



Thomas K. Emswiler
Secretary

Attachments

- 1 Thrift Savings Fund Statistics
2. May 2011 Performance Review – G, F, C, S, I, and L Fund