



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

MINUTES OF THE MEETING OF THE BOARD MEMBERS

May 20, 2013

Michael D. Kennedy, Chairman of the Federal Retirement Thrift Investment Board (Agency), convened a meeting of the Board members on May 20, 2013, at 9:00 a.m., Eastern Time. Parts of the meeting were open to the public at the Board's offices at 77 K Street, N.E. and parts were closed to the public. In attendance were Dana K. Bilyeu of Nevada, member; Ronald D. McCray of Texas, member; David A. Jones of Connecticut, member; Gregory T. Long, Executive Director; James B. Petrick, Secretary and General Counsel; Susan C. Crowder, 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; Jay Ahuja, Chief Risk Officer, Office of Enterprise Risk Management; Sophie T. Dmuchowski, Acting Director, Office of Communications and Education; Gisile Goethe, Acting Director, Office of Resource Management; John Ramsey, Chief Information Security Officer; and Toni Bush-Neal, Executive Advisor to the Executive Director.

1. Approval of the minutes of the April 22, 2013 Board member meeting.

Chairman Kennedy entertained a motion for approval of the minutes of the April 22, 2013 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 April 22, 2013 be approved.

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

Mr. Long 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 reported that assets under management exceeded \$350 billion in April. Currently the Plan has approximately 4.6 million participants and employees covered by FERS participate at an 87 percent rate. The Agency continues to reach out to Uniformed Service Members and Roth TSP continues to gain Uniformed Service participants.

b. Monthly Investment Performance Report

Ms. Ray reviewed the fund performance memorandum, entitled "April 2013 Performance Review – G, F, C, S, I, and L Funds" (attached). The first page compares BlackRock Funds' performance against their underlying indices both for the month of April and year-to-date. Ms. Ray pointed out that the tracking error in April for the F, C, and S Funds was extremely small, while the I Fund had a tracking error of eleven basis points due primarily to the tax effect.

For the month of April, the I Fund was up over five percent, while the C and S Funds were up less than two percent, and less than one percent, respectively. Year-to-date, the C Fund is up almost 18 percent, the S Fund up more than 19 percent, and the I Fund up 11 percent.

Lastly, Ms. Ray noted that in April, participants moved almost \$500 million into the L Funds, which continues a recent trend of L Fund participation. Since December 2012, over 50,000 participants have started participating in the L Funds.

c. Legislative Report

Ms. Weaver reported that President Obama nominated Mr. William Jasien to replace Board member Terrance Duffy. Mr. Jasien's nomination has been placed on the "privileged" list of nominations and a full Senate vote on the nomination could occur sometime in June or July. Ms. Weaver also reported that the Agency continues to monitor the debt limit situation, and while Treasury may draw on the G Fund, the law requires that the G Fund be made whole after the situation is resolved.

In addition, Ms. Weaver reported that the Employee Benefits Security Administration (EBSA) issued an advance notice of proposed rulemaking regarding lifetime income illustrations for defined contribution plans.

Mr. Long noted that the Agency already offers a version of a lifetime income illustration and that version is one example of the types of illustrations that EBSA is proposing to implement.

3. FY13 Strategic Plan Status.

Mr. Long reviewed the goals and metrics of the Agency's 2013 Strategic Plan. See "Strategic Performance Metrics" (attached). As part of that review, Mr. Long noted that the Agency has seen steady growth in participation among both civilian and uniformed service members. Mr. Long also noted that from an operational perspective, the Agency remains strong and is continually working to improve by examining its internal operations as well as examining the operations of other defined contribution plans.

Mr. Long also reviewed the status of the Agency's strategic initiatives and stated that the Agency made meaningful progress on the Enterprise Information Security and Risk Management Initiative as well as the Human Capital Management Initiative. Mr. Long also stated that the Agency was defining policies to develop the Integrated Acquisition Strategy Initiative.

4. Budget Review.

Ms. Crowder reported that the Agency's spending is within alignment of its budget plan for Fiscal Year 2013. In addition, the 2013 expense ratio for the Plan is similar to previous years.

5. Fund Participation in Settlements.

Ms. Ray presented the estimated amounts that the Agency has recovered in class action settlements since 2009. See "Class Action Settlement Benefits to the C, S, I, and F Funds" (attached). Since 2009, the Agency has recovered an estimated \$86,467,081 in class action settlements.

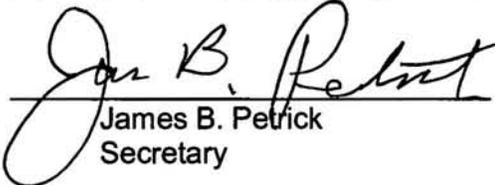
6. Closed Session.

On a vote taken by the Chairman, the members closed the meeting at 10:28 a.m. for executive session.

At 11:55 a.m., upon completion of the executive session, the members reconvened the open portion of the meeting.

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chairman Kennedy adjourned the meeting at 11:55 a.m.

MOTION: That this meeting be adjourned.


James B. Petrick
Secretary

Attachments

1. Thrift Savings Fund Statistics
2. April 2013 Performance Review – G, F, C, S, I, and L Funds
3. Strategic Performance Metrics
4. Class Action Settlement Benefits to the C, S, I, and F Funds