



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

MINUTES OF THE MEETING OF THE BOARD MEMBERS

November 25, 2013

Michael D. Kennedy, Chairman of the Federal Retirement Thrift Investment Board, convened a telephonic meeting of the Board members on November 25, 2013, 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. In attendance were Dana K. Bilyeu of Nevada, member (by telephone); David A. Jones of Connecticut, member (by telephone); William S. Jasien of Virginia, member (by telephone); Greg T. Long, Executive Director (by telephone); 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; Mark E. Walther, Chief Technology Officer; Jay Ahuja, Chief Risk Officer; James Courtney, Director, Office of Communications and Education; Gisile Goethe, Director, Office of Resource Management; Renee C. Wilder, Director, Office of Enterprise Planning; Thomas K. Emswiler, Director, Office of Participant Operations and Policy; Megan G. Grumbine, Executive Advisor to the Executive Director.

1. Approval of the minutes of the October 28, 2013 Board member meeting.

Chairman Kennedy entertained a motion for approval of the minutes of the October 28, 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 October 28, 2013 be approved.

2. Thrift Savings Plan (TSP) 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). October was an unusual month for the Plan because of the government shutdown. Plan participation declined approximately one-tenth of one percent. During the shutdown, participants transferred their assets to the G Fund, returning to the Equity Funds once the shutdown ended. Ms. Wilder reported that the largest number of hardship withdrawals the Plan had seen occurred during October.

Ms. Bilyeu asked if there was a way to reach out to participants who had made hardship withdrawals to encourage them to return to the plan. Mr. Jasien

asked if participants could be automatically re-enrolled. Ms. Wilder and Mr. Long noted the importance of long-term planning for automatically re-enrolling participants making hardship withdrawals.

b. Monthly Investment Performance Report

Ms. Ray reviewed the fund performance memorandum, entitled "October 2013 Performance Review – G, F, C, S, I, and L Funds" (attached). Inflows and outflows for the G Fund were high for the month of October as a result of the budget crisis and the government shutdown. Ms. Ray confirmed that the Plan was capable of handling the volume of transactions. Ms. Ray agreed to provide figures to gauge how much of the changes in fund balances were due to participant asset allocation choices and how much of the changes were due to market performance.

c. Legislative Report

Ms. Weaver reported on the semi-annual Employee Thrift Advisory Council (ETAC) meeting. Major issues discussed at the meeting included the Mercer Report recommending changes to the L Fund Asset Allocation and changing the default fund for auto-enrolled participants from the G Fund to an age-appropriate L Fund. Ms. Weaver reported that ETAC supports FRTIB seeking a legislative change that would make the second change. A vote by the FRTIB Board on pursuing changes to the default fund will be scheduled for December. Ms. Weaver reported that pending legislation in Congress would require the Plan to offer a corporate responsibility stock index fund. Ms. Weaver stated that there is low participant demand for such a fund, and noted the Plan's intent to reach out to the members of Congress involved to share the Plan's concerns. Mr. Long noted that the Plan continues to research the practical utility and potential risks of providing a mutual fund window.

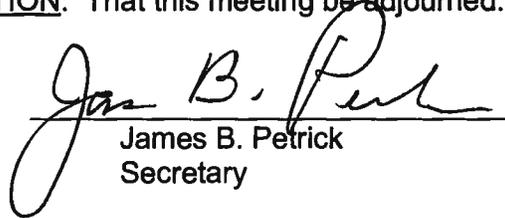
d. Quarterly Metrics Report

Ms. Wilder presented the strategic performance metrics report for the fourth quarter of fiscal year 2013 (attached). Ms. Wilder summarized the report and highlighted progress on the four strategic initiatives funded by the budget for fiscal year 2013. The initiatives were: Enterprise Information Security and Risk Management, publication of a Human Capital Management Plan, an Integrated Acquisition Strategy; and Enterprise Risk Management. Mr. Jasien asked about a drop in participation from ready reserve members. Ms. Wilder and Mr. Long noted that while the Plan works closely with contacts at the Department of Defense to produce military participant numbers, the ready reserve has a great deal of variability because of reserve members moving on and off active duty, as well as military payroll submission issues. Ms. Wilder agreed to track the distinction between developing a strategy and implementing a strategy in reporting the status of strategic initiatives, particularly with respect to implementation of the completed Human Capital Management Plan.

3. Adjournment

Whereupon, there being no further business, the following motion was made, seconded, and adopted without objection and Chairman Kennedy adjourned the meeting at 10:44 a.m.

MOTION: That this meeting be adjourned.

  
James B. Petrick  
Secretary

**Attachments**

1. Thrift Savings Fund Statistics
2. October 2013 Performance Review –G, F, C, S, I, and L Funds
3. Strategic Performance Metrics – 4th Quarter Fiscal Year 2013