



FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

MINUTES OF THE MEETING OF THE BOARD MEMBERS

December 21, 2020

David A. Jones, Acting Chairman of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on December 21, 2020, at 10:00 a.m., Eastern Time. The meeting was held telephonically and open to the public. In attendance were Dana K. Bilyeu of Oregon, member; Ronald D. McCray of Texas, member; William S. Jasien of Virginia, member; Ravindra Deo, Executive Director; Stefanie George, Acting Deputy General Counsel and Secretary; Suzanne Tosini, Chief Operating Officer; Renée C. Wilder Guerin, Director, Office of Enterprise Planning; Kimberly A. Weaver, Director, External Affairs; Susan Crowder, Chief Financial Officer; Gisile Goethe, Director, Office of Resource Management; James Courtney, Director, Office of Communications and Education; Tee Ramos, Director, Office of Participant Services; Sean McCaffrey, Chief Investment Officer; Vijay Desai, Chief Technology Officer; and Ernest Witherspoon, Executive Advisor to the Executive Director.

1. Welcome

Acting Chairman Jones called to order the monthly meeting of the Federal Retirement Thrift Investment Board (FRTIB) and welcomed everyone to the meeting and thanked the team for their efforts.

2. Approval of the Minutes of the November 16, 2020 Board Member Meeting

Acting Chairman Jones entertained a motion for approval of the minutes of the November 16, 2020 Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting that was held on November 16, 2020 be approved.

3. Monthly Reports

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

a. Participation Activity Report

Mr. Ramos announced that the FERS participation rate dropped slightly this month from 93.6 to 93.3, while the uniformed service active duty participation rate continued to rise to 73.3 from 72.4. The FERS participation rate is about two percent higher than last year at this time.

Annuity purchases have dropped 66 percent after the deployment of the Additional Withdrawals Project.

Contact Centers experienced an uptick in call volumes last month, which resulted in a drop in service level metrics. We are making changes to staffing and call scripts to alleviate the problem. This is a result of higher than normal AHT, unexpectedly high call volumes, and staffing.

#### CARES Act Withdrawals

We had 9.325 withdrawals for active participants and 102,478 participants in total since the option was initiated in June.

#### b. Investment Performance Report

Mr. McCaffrey reviewed the monthly investment performance report. See “November 2020 Performance Review – G, F, C, S, I and L Funds” (attached). In November, Blackrock’s performance for the F, C and S Funds was in line with the three Funds’ respective indices. Performance for the I Fund was ahead of the International Index by 5 basis points as a result of futures mis-tracking.

Mr. McCaffrey reported that among notable stories of the month was that multiple pharmaceutical companies announced significant progress in developing coronavirus vaccines, contributing to investors’ optimism for an economic recovery. Also, the Federal Reserve left its target interest rate unchanged, noting continued uncertainty. Equity markets rose sharply as evidenced by the returns of the C, S, and I Funds, with the international returns helped by a weaker U.S. dollar. The F Fund posted a gain as interest rates edged lower. All the L Funds finished higher.

Mr. McCaffrey reported on year-to-date performance. Blackrock’s performance for the F Fund exceeded the Fixed Income Index by 4 basis points, primarily attributable to securities lending. The C Fund performance was in line with the Large Cap Index. Its performance for the S Fund lagged the Small Mid-Cap Index by 21 basis points, primarily resulting from securities sampling and futures mis-tracking. Blackrock’s performance for the I Fund was ahead of the International Index by 42 basis points, primarily due to tax advantage and futures mis-tracking.

For the current month through Friday, December 18<sup>th</sup>, equity markets are again in positive territory. The C Fund is ahead 2.51 percent, the S Fund is up 7.73 percent, and the I Fund has gained 3.82 percent. In fixed income, the S Fund is lower by .21 percent and the G Fund is ahead by 4 basis points.

c. Legislative Report

Ms. Weaver reported that the DoD authorization bill for FY21 contains provisions under which the DoD and the FRTIB will have to submit a report to Congress regarding the advisability and/or issues associated with allowing spouses of members of the uniformed services to contribute to the TSP account of a uniformed service member. The report is due to the Hill by April 2, 2021.

Congress is scheduled to pass the FY21 omnibus bill plus a stimulus package.

4. Quarterly Reports

a. Vendor Risk Management Update

Ms. Tosini reported that on a quarterly basis, the Office of Enterprise Risk Management provides the Executive Director and Board members with a synopsis of its Vendor Risk Assessment for key vendors. She reported that there is no indication that the vendors will not be able to fulfill their contractual obligations to FRTIB.

5. CY 2020/2021 Board Meeting Calendar Review

Mr. Deo proposed that the meetings for January, February, and March be held telephonically. The Board agreed with that proposal.

6. Conclusion

Acting Chairman Jones thanked Mr. Deo and wished everyone happy holidays and a wonderful, healthy new year.

7. Adjourn

On a vote taken by the Acting Chairman, the members closed the meeting at 10:16 a.m. for a brief executive session. The members reconvened at 10:20 a.m. and the meeting was adjourned at 10:24 a.m.

MOTION: That this meeting be adjourned.

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Dharmesh Vashee  
Acting Secretary

## Attachments

1. Thrift Savings Fund Statistics
  - a. TSP Statistics Highlights
  - b. Thrift Savings Fund Statistics – October
  - c. Thrift Savings Fund Statistics – November
2. November 2020 Performance Review – G, F, C, S, I, and L Funds
3. Vendor Risk Management Update