



MINUTES OF THE MEETING OF THE BOARD MEMBERS

March 26, 2024

Michael F. Gerber, Chair of the Federal Retirement Thrift Investment Board, convened a meeting of the Board members on March 26, 2024, at 9:00 a.m., Eastern Daylight Time. The meeting was held at the Kimpton Shane Hotel at 1340 West Peachtree Street, N.W., Atlanta, Georgia, and was open to the public via teleconference. In attendance were Leona M. Bridges of California, member; Stacie Olivares of California, member; Ravindra Deo, Executive Director; Dharmesh Vashee, General Counsel and Secretary; Suzanne Tosini, Chief Operating Officer and Deputy Executive Director; Kimberly A. Weaver, Director, Office of External Affairs; Gisile Goethe, Director, Office of Resource Management; James Courtney, Director, Office of Participant Experience; Sean McCaffrey, Chief Investment Officer; David Heimann, Acting Chief Information Officer; Thomas Brandt, Chief Risk Officer; and Trevor Williams, Chief Financial Officer.

Welcome.

Chair Gerber called to order the monthly meeting of the Federal Retirement Thrift Investment Board (FRTIB or Agency) at 9:00 a.m. and welcomed everyone present to the meeting.

1. Approval of the Minutes of the February 27, 2024, Board Meeting.

Chair Gerber entertained a motion for approval of the minutes of the February 27, 2024, Board meeting. The following motion was made, seconded, and adopted without objection:

MOTION: That the minutes of the Board meeting held on February 27, 2024, be approved.

2. Monthly Reports.

a. Participant Activity Report

Mr. Courtney reviewed the monthly Participant Activity Report. See “Participant Activity Report February 2024” (attached). He reported that in February 2024, 87.3 percent of Federal Employees’ Retirement System (FERS) employees and 86.5 percent of Blended Retirement System (BRS) employees received their full agency or service match, which was a Plan record. Participants rolled in more than 241 million dollars in February, which was also a Plan record, and the first two months of 2024 marked the first time the TSP received more than 5,000 roll-ins per month. Mr. Courtney concluded his report by noting the TSP mobile app launched a biometric feature for logging into My Account.

b. Investment Report

Mr. McCaffrey reviewed the monthly performance relative to benchmarks for the TSP's investment managers. See "February 2024 Investment Program Review" (attached).

For the month of February, BlackRock's performance for the F, C and S Funds matched the funds' respective indices, and performance for the I Fund exceeded the International Index by 101 basis points, primarily due to fair value pricing.

For State Street in February, performance for the F, C and S Funds matched the funds' respective indices, and performance for the I Fund exceeded the International Index by 53 basis points, primarily due to fair value pricing.

Mr. McCaffrey reported that in February's markets, strong employment growth and elevated inflation continued the trend from recent months. These economic conditions, combined with comments from Federal Reserve officials, led many investors to conclude that the central bank would not ease monetary policy soon. Longer-term interest rates edged higher, contributing to a loss in the F Fund. The C and S Funds rose. The I Fund also rose, although its growth was dampened by a stronger U.S. dollar. All L Funds finished higher.

For BlackRock's year-to-date performance, the F Fund was ahead of the Fixed Income Index by nine basis points, primarily due to year-end pricing differences. Performance for the C and S Funds was in line with the Funds' respective indices. The I Fund performed better than the International Index by 13 basis points, primarily due to futures mistracking and fair value pricing.

For State Street's year-to-date performance, the F Fund was ahead of the Fixed Income Index by nine basis points primarily due to year-end pricing differences. The C, S, and I Funds were aligned with the funds' respective indices.

As of market close on Monday, March 25, 2024, the C Fund gained 2.49 percent for the month-to-date, the S Fund gained 1.52 percent, and the I Fund increased 2.97 percent. The F Fund was up 0.58 percent and the G Fund earned 0.30 percent.

Mr. McCaffrey next reviewed the L Funds' participation and interfund transfer (IFT) rates. He noted that participation in the L Funds has continued to increase, driven primarily by the automatic enrollment of new participants. IFTs raised no concerns during the month of February, with 2.4 percent of accounts moving money between Funds. This was slightly higher than the long-run median of two percent.

c. Legislative Report

Ms. Weaver provided the legislative report. She noted that the

remaining appropriations bills were passed for fiscal year (FY) 2024. As a result, there will be no government shutdown for at least another six months. Moving forward, bills to monitor include the FY 2025 National Defense Authorization Act, the Federal Aviation Administration (FAA) reauthorization bill, and the continuing resolution (CR) bills that will likely be needed going into FY 2025.

In response to a comment from Chair Gerber, Ms. Weaver acknowledged the FRTIB was prepared to support affected participants in the event of a government shutdown.

3. Quarterly Vendor Risk Management Report.

Mr. Brandt provided an overview of the Agency's Quarterly Vendor Risk Assessment for the Fourth Quarter of Calendar Year (CY) 2023. See "Quarterly Vendor Risk Assessment – 4th Quarter CY 2023" (attached). Mr. Brandt reported that having analyzed various sources of data and evaluated metrics to assess solvency, liquidity, and profitability for five critical vendors, all vendors are able to fulfill their contractual obligations to the Agency. The Quarterly Vendor Risk Assessment to the Board members and the Executive Director provides more detail on the results of the analysis for the 4th quarter of CY 2023.

4. Adjourn.

On a vote taken by the Chair, the members closed the meeting at 9:10 a.m. for executive session.

At 9:39 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 Chair Gerber adjourned the meeting at 9:39 a.m.

MOTION: That this meeting be adjourned.

Dharmesh Vashee
General Counsel and Secretary

Attachments

1. Participant Activity Report February 2024
2. February 2024 Investment Program Review
3. Quarterly Vendor Risk Assessment – 4th Quarter CY 2023